CITY OF ATCHISON, KANSAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF ATCHISON, KANSAS

For the Fiscal Year Ended

December 31, 2025

Prepared by:

FINANCE DEPARTMENT

City of Atchison, Kansas

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2025
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Introductory Section

2025

July 7, 2026

The Honorable Mayor, Members of the City Commission, and Citizens of the City of Atchison:

It is our pleasure to submit the annual comprehensive financial report of the City of Atchison (City) for the fiscal year ended December 31, 2025. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations for the various activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The annual comprehensive financial report is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

State law requires that every general-purpose local government publish a complete set of audited financial statements after the close of the fiscal year. This report is published to fulfill that requirement for the fiscal year ended December 31, 2025. Swindoll, Janzen, Hawk & Loyd, LLC has issued unmodified opinions on the City's financial statements for the year ended December 31, 2025.

Profile of the Government

The City is the primary unit of government and was incorporated in 1858. It is in the northeastern part of the state approximately thirty-five miles from the Kansas City International Airport. It currently occupies 6.9 square miles and serves an estimated 2025 population of 10,789. The City is empowered to levy a property tax on both real and personal property within its boundaries and to extend the city limits by annexation, which it has done from time to time.

The City operates under the commission-manager form of government. Policymaking and legislative authority are vested in a governing commission consisting of the mayor and four other members, all elected on a non-partisan basis. The Commission appoints the city manager, who in turn appoints the heads of the various departments. Three of the commissioners are elected every two years. The two with the largest number of votes serve four-year terms, and the third serves a two-year term. The mayor is elected by the Commission and serves a one-year term.

The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities. Sanitation, water, and wastewater services are also provided and are included as an integral part of the City's financial statements.

The City is also financially accountable for a legally separate library which is reported on separately within the City's financial statements. Additional information on this entity can be found in Note 1 of the financial statements.

Local economy

In its early history, Atchison was an important supply center for settling the West and continues to enjoy a strong commercial base today. Major industries located within the City's boundaries, or nearby, include manufacturers of food and mill ingredients, distillery products, concrete poles, steel castings, and rail anchors.

Other economic presences include the headquarters of a publicly traded company, a full-service hospital, a four- year accredited college, a vocational school, national suppliers of leather and textile products, wholesale hardware and more.

Atchison's unemployment rate at the end of December 2025 was 3.8%. The most recent figure for Atchison is 4.3% and area employers, including the city, are having trouble hiring new employees.

Specialty retail shops and the tourism industry have contributed to the local economy in the past ten years. The City stopped receiving a portion from the County for the one-cent sales tax in mid-2023. Sales tax collections in 2025 were actually 4.92% higher than they were in 2024. The City's one-cent sales tax, along with its share of the County's one-cent sales tax have risen 32% from $ 1,638,344 in 2016 to $ 2,263,102 in 2025. To date, sales and use tax collections for 2026 are up 8.21% compared to this time last year.

Relevant financial policies

Budgeting -The Commission is required by Statute to adopt a final budget by August 25th of each year, though recent legislation will extend that deadline to October 1st if the City intends to budget an increase to its "revenue neutral rate", defined as a budget that includes revenue produced by property taxes in excess of the amount produced the preceding year. The annual budget is the foundation for the City's financial planning and control. The budget is prepared by fund, and by department (e.g., police). The City's budget is prepared on a modified accrual basis further modified by an encumbrance system of accounting as required by applicable state statutes. The city manager presents recommendations for the budget to the Mayor and Commission members for their review. A series of public meetings are held by commissioners to review alternative spending proposals. After soliciting public input, the Commission adopts the budget. The budget is controlled through an accounting system to ensure effective fiscal management and accountability.

Capital Spending - The City prepares a five-year spending plan for replacing its equipment. The City also maintains a five-year capital improvement (CIP) plan for maintaining and making betterments to infrastructure. Both plans are updated annually and approved by the governing body. Equipment replacements are funded by transfers from other funds, primarily the general fund, in addition to long-term leases for major equipment purchases. Capital improvements are funded through transfers from other funds, intergovernmental grants and revenues and general obligation bonds. The funding of equipment replacement and infrastructure maintenance can be designed to provide a stable and sustainable program that minimizes future cost, or the funding of these capital expenses can be deferred in the short term in order to minimize current expenses. In recent years, the City has made substantial progress in improving its infrastructure and addressing its equipment needs. The City did put projects and equipment purchases on hold where possible in 2022, but continued completing projects and purchasing equipment as planned in 2025.

Debt Service - The City's debt service is funded by property taxes and includes a 12-mill levy limit established by Ordinance. Debt management policies established by the Commission include a net direct debt outstanding per capita limit of $ 1,000, an overall debt limit of 10 percent of assessed value, and a debt-service limit of 15 percent of governmental fund expenses. These policies are specific to general obligation debt related to governmental activities, not any debt related to business type funds as that debt is meant to be repaid with revenues generated by those funds. The Commission reviews debt policy limits annually during the budget process. For 2025, all of the

three measures are within the limits set forth: the debt per capita amount is $ 609. The ratio of net direct debt to assessed valuation is 6.63% and the ratio of debt service payments to governmental funds expenditures is 13.3%.

Internal Controls - Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Investing -The City determines idle cash available for investing for selected time frames and solicits bids from local banks for certificates of deposit. Local banks are required to match the rate established by the State Municipal Investment Pool, or the money is invested in the state pool. The City does not have any idle cash invested in local banks or the state pool, due to the historic low interest rates. The City earns interest on its operating account at a local bank at a rate of 10 basis points below the 91-day Treasury bill yield.

Risk Management - The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. All potential claims, and/or liabilities are reported immediately when it becomes evident that a loss has occurred, or a claim may be made.

The City has addressed the potential risk by purchasing various commercial insurance policies for certain insurable causes of loss. These policies cover liability, employee dishonesty, public official's liability, property damage to buildings, contents, and other personal property. Losses due to earthquakes and terrorism have been excluded. The City established an insurance reserve fund to fund the deductible portion of losses. The balance at the end of 2025 was $ 60,392.69.

Spending Limits - The state limits annual spending in each fund to the amount budgeted. Prior to spending an amount more than the budgeted amount, the City must hold a public hearing with notice published a minimum of 10 days in advance.

Major initiatives

In November of 2011, the City reached an agreement on a consent order with the Kansas Department of Health and Environment to address run-off sewer discharge, a byproduct of the City's combined storm/sewer system. The agreement provides a reasonable plan of action that promotes environmental health without unduly burdening the taxpayers of Atchison.

The City had implemented a CSO fee in 2015 to begin addressing the revenue requirements of the consent order. The CSO fee is a flat charge for all residential customers, and it is usage based for commercial and industrial customers. In late 2016, KDHE agreed to release the city from the $ 3.1million in revenue requirement and in return, the city agreed to complete certain projects in a timely manner and update the long-term control plan.

The City has made substantial progress addressing the initiatives set forth by the consent agreement. In 2014, preliminary design began on a "store and treat" project to bring the 11th & 14th Street Combined Sewer Overflows (CSO) into compliance. After completing a preliminary study, the engineers determined that Watershed Dam 6 overflows are the single largest contributing factor to overflows in the 14th Street sewer shed. The design of a project to directly connect the Dam 6 Overflow to White Clay Creek began in 2016 and after multiple delays designs were completed in 2018. Construction of Phase I of the project was largely completed in 2019 and Phase II was completed in 2020. The long-term control plan has been finalized and accepted by KDHE.

In 2021, the City issued temporary notes to fund the construction of infrastructure in a forty-eight-lot subdivision. Permanent financing was secured in early 2022 and will be paid by the lot owners over the next 15 years via special assessments on the properties.

In 2024, the City finalized its first Reinvestment Housing Incentive District (RHID) on a section of the old plat in Atchison, south of Benedictine College. The RHID will contribute over 50 new housing units to the City and would mature in 20 years, if not paid off before.

Through a partnership with an organization called Network Kansas, the City of Atchison offers a locally controlled, revolving small business loan fund. Working with a local bank, aspiring entrepreneurs and existing small businesses in Atchison can lower their overall interest rate as they startup, expand, or acquire a small business in Atchison County. During 2025, the City did not grant any new loans.

Some projects completed during 2025 include the LFM Park Improvements, US 59 mill and overlay, Water Mains Replacement, Water Plant Communication Upgrades, Radial Collection Wells design, Santa Fe West sidewalk improvements and continued efforts on the new runway at the Amelia Earhart Airport.

Awards and Acknowledgements

Due to the turnover in Staff during the beginning of 2023, the City was not able to complete the annual audit for 2022 timely in order to qualify for the Certificate of Achievement for Excellence in Financial Reporting with the Government Finance Officers Association (GFOA). This was the first year in twenty-five years the City was not able to achieve this prestigious award. After getting back to a full staff, the City has been able to complete the 2023 audit timely and is able to qualify for the Certificate of Achievement for Excellence with the GFOA. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended December 31, 2023. To be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized annual comprehensive financial report that satisfied both generally accepted accounting principles and applicable legal requirements. The City continued their great efforts during 2024 and was once again awarded the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended December 31, 2024.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

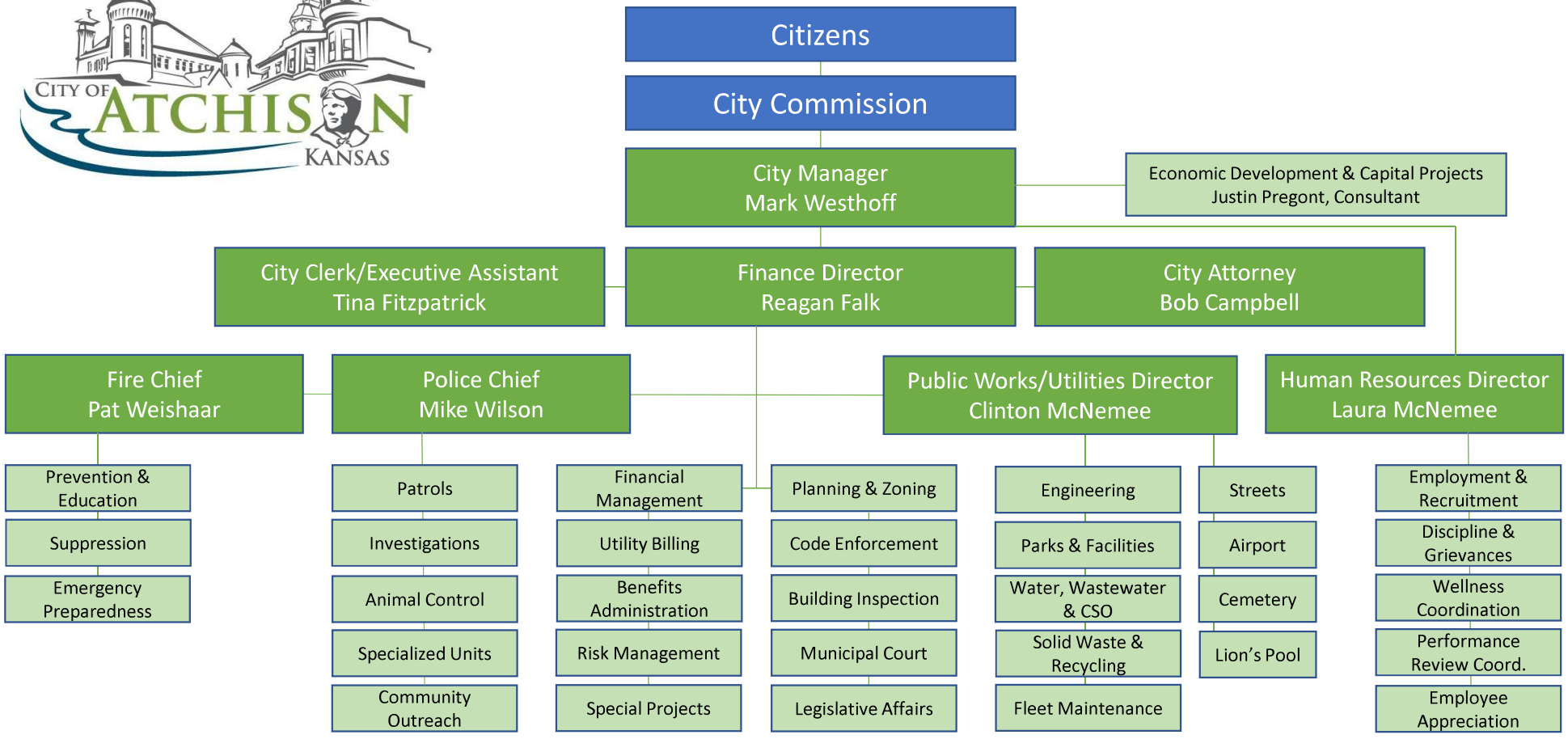
The preparation of this report would not have been possible without the efficient and dedicated service of the finance department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Reagan Falk
Finance Director

Mark Westhoff
City Manager

City of Atchison Organizational Chart



09/25/24

CITY OF ATCHISON, KANSAS

List of Elected and Appointed Officials

December 31, 2025

ELECTED OFFICIALS

La Rochelle Young
Mayor
Term Expires December 2025

Larry Wilcox
Vice-Mayor
Term Expires December 2027

Jesse Greenly
Commissioner
Term Expires December 2025

Mike Slattery
Commissioner
Term Expires December 2027

William Murphy
Commissioner
Term Expires December 2025

APPOINTED OFFICIALS

Mark Westhoff
City Manager

Michael A. Wilson
Chief/Director of Police Services

Clinton McNemee
Director of Public Works and Utilities

Pat Weishaar
Chief/Director of Fire Services

Reagan Falk
Director of Finance

Laura McNemee
Director of Human Resources

Tina Fitzpatrick
City Clerk

Robert Campbell
City Attorney

Andrew Werring
Municipal Judge

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Atchison
Kansas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

Financial Section

2025

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Commission
City of Atchison, Kansas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Atchison, Kansas (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Kansas Municipal Audit and Accounting Guide. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The statements and schedules listed under supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions to the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 7, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Swindoll, Janzen, Hawk & Loyd, LLC

July 7, 2026
Topeka, Kansas

This section of the report contains an overview and an analysis of the City of Atchison's financial statements for the fiscal year ended December 31, 2025. This document is intended to provide the reader of the financial statements with a well-rounded picture of the City's financial condition.

Financial Highlights

- The City's total assets exceeded its total liabilities by $66,323,803. Of this amount, $5,373,967 of unrestricted net position may be used to meet the City's ongoing obligations.
- The net position of the City's governmental activities increased by $3,471,251 (or 9.51%) while the net position of business activities increased by $492,029 (1.7%).
- The City's deferred outflow of resources increased by $180,336 (or 10.15%) while the deferred inflow of resources decreased by $79,028 (or 1.0%).
- At the end of 2025, the total fund balance for the general fund was $3,337,235 which is 28.0% of general fund expenditures.

Overview of the Financial Statements

The City's basic financial statements include the government-wide financial statements and the fund financial statements. The notes to the financial statements follow the basic financial statements and are essential for understanding them. The report also contains additional supplepmentary information to assist the reader.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Atchison's finances, in a manner similar to private-sector businesses.

The Statement of Net Position presents information for the assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Increases or decreases in net position may serve as a useful indicator over time of whether the financial position of the City of Atchison is improving or deteriorating.

The Statement of Activities shows the revenues and expenses related to specific programs, and how the government's net position changed during the fiscal year. This statement is presented on the accrual basis so that transactions are reflected as they occur, and not as cash is impacted.

Both statements distinguish functions of the city that are supported by taxes and intergovernmental revenues from functions that recover their costs through user fees and charges. The governmental activities include general government, public safety, public works, and parks and recreation. The business-type activities include the water and wastewater utilities and refuse operations. Business activities are operations that are intended to recover most, if not all, of their costs through user fees and charges.

The government-wide financial statements include a city library as a discretely presented component unit. See note 1 to the financial statements for a more complete description of the relationship between this entity and the City.

Fund Financial Statements

A fund is a fiscal entity with accounts for recording balances of resources, liabilities, equity, revenues, and expenditures. Funds are segregated for specific activities or objectives, in accordance with regulations, restrictions or limitations. City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental fund financial statements are prepared on the modified accrual basis. Under this approach, revenues are recognized when measurable and available, and expenditures are recognized when the related fund liabilities are incurred except for capital outlays and long-term debt and other similar items that are recorded when due. Governmental funds are used to account for the same functions included in the government-wide financial statements, but the focus is on the short-term financial condition rather than the City as a whole. The reconciliation at the end of the fund financial statements explains the relationship between governmental fund financial statements and government-wide financial statements.

The City maintains one type of proprietary fund, enterprise funds. The City uses enterprise funds to account for its water and wastewater utilities and refuse operations. These funds are prepared on the accrual basis of accounting and present the same information included in the government-wide financial statements in greater detail.

Fiduciary funds are used by the City to account for resources held for the benefit of third parties. Because the resources of these funds are not available for the City's operations, they are not presented in the government-wide financial statements. The Fiduciary funds include the Amelia Earhart Festival, Santa Fe Depot Enhancement, and Veterans Memorial Park funds. A combining statement can be found in the supplementary information following the notes to the financial statements.

Notes to the Financial Statements

The notes are an integral part of the financial statements and provide essential information for a full understanding of the data provided in those statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the City's progress in funding its obligation to provide pension and post-employment benefits to its employees and the City's general fund budgeted and actual expenditures. The combining statements for the combined general fund and non-major funds are included after the required supplementary information. The Statistical section of the report includes historical financial information and other data about the City.

Analysis of the Government-wide Statements

Net Position

Net position may serve as a useful indicator of the City's financial condition. The City's government-wide net position increased by $3,563,280, or 5.99%, for the fiscal year ended December 31, 2025. The largest portion of the City's net position (89.6%) is in capital assets (land, buildings, infrastructure, vehicles and machinery and equipment); less any debt related to those assets still outstanding.

Combined Net Position of the City on December 31 was:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 15,998,152	$ 17,876,017	$ 8,107,275	$ 8,626,425	$ 24,105,427	$ 26,502,442
Capital assets	44,785,010	41,030,577	31,649,410	31,987,767	76,434,420	73,018,344
Total assets	60,783,162	58,906,594	39,756,685	40,614,192	100,539,847	99,520,786
Deferred outflows of resources	1,720,914	1,507,843	236,850	269,585	1,957,764	1,777,428
Long-term liabilities	14,682,401	16,926,653	9,650,902	12,271,800	24,333,303	29,198,453
Other liabilities	2,498,765	1,560,165	1,491,896	250,201	3,990,661	1,810,366
Total liabilities	17,181,166	18,486,818	11,142,798	12,522,001	28,323,964	31,008,819
Deferred inflows of resources	7,736,415	7,812,375	113,429	116,497	7,849,844	7,928,872
Net position:						
Net investment in capital assets	37,119,678	31,987,663	22,098,653	21,019,400	59,218,331	53,007,063
Restricted	1,731,505	1,750,003	-	-	1,731,505	1,750,003
Unrestricted	(1,264,688)	377,578	6,638,655	7,225,879	5,373,967	7,603,457
Total net position	$ 37,586,495	$ 34,115,244	$ 28,737,308	$ 28,245,279	$ 66,323,803	$ 62,360,523

Governmental Activities

The City's governmental activities ended 2025 with positive net position. Cash balances decreased by $2,149,675, or 24%, compared to an 8.4% decrease from 2023 to 2024. The decrease in cash balance is attributable to increased spending throughout the operational budgets. Capital assets increased by $3,754,433, or 9.2%. Notable projects completed in 2025 include the US 59 Overlay, Collector Wells and Radial Collector Wells Improvements, Water Mains Replacement, Water Plant Communication Upgrades, Santa Fe West Sidewalk Improvements and continued efforts on the new runway at the Amelia Earhart Airport.

The deferred outflow of resources increased by $213,071, or 14.1%, largely due to changes in the net difference between projected and actual earnings on pension plan investments as well as changes in assumptions and our proportionate share of the pension plan.

Total liabilities decreased $1,305,652, or 7.06%. Short-term liabilities, which include accounts payable, accrued liabilities, temporary notes payable and accrued interest payable, decreased by $127,556, or 8.6%. Accounts payable increased 4.1%. Long-term liabilities decreased by $2,241,252, or 13.2%. The decrease in long-term liabilities is due to a reduction of the City's net pension liability.

The deferred inflow of resources decreased by $75,960, or 0.9%, due to the net difference between projected and actual earnings on pension plan investments.

Business-type activities

The City's business-type activities ended 2025 with positive net position.

The total cash position decreased by $720,005, or 9.6%. Receipts from customers increased in 2025 by 4.4% and operating expenses increased by 5.5%. Rates for residential customers increased by 2% and commercial and industrial water customers increased by 3% in 2025. Wastewater and combined sewer overflow charges increased by 1% and 2.5%, respectively, in 2025.

Capital assets decreased by $338,357, or 1.1%. The decrease is due to a significant decrease in buildings and systems for 2025.

The deferred outflow of resources decreased by $32,735, or 12.1%, largely due to changes in the net difference between projected and actual earnings on pension plan investments as well as changes in assumptions and our proportionate share of the pension plan.

Total liabilities decreased by $1,379,203, or 11%. The decrease in liabilities is due to a decrease in General Obligation Bond ending balance and a slight decrease in the ending balance for financed purchases after making scheduled payments.

The deferred inflow of resources decreased by $3,068, or 2.6%, due to the net difference between projected and actual earnings on pension plan investments.

Statement of Activities

Changes in net position of the city for the years ended December 31 were:

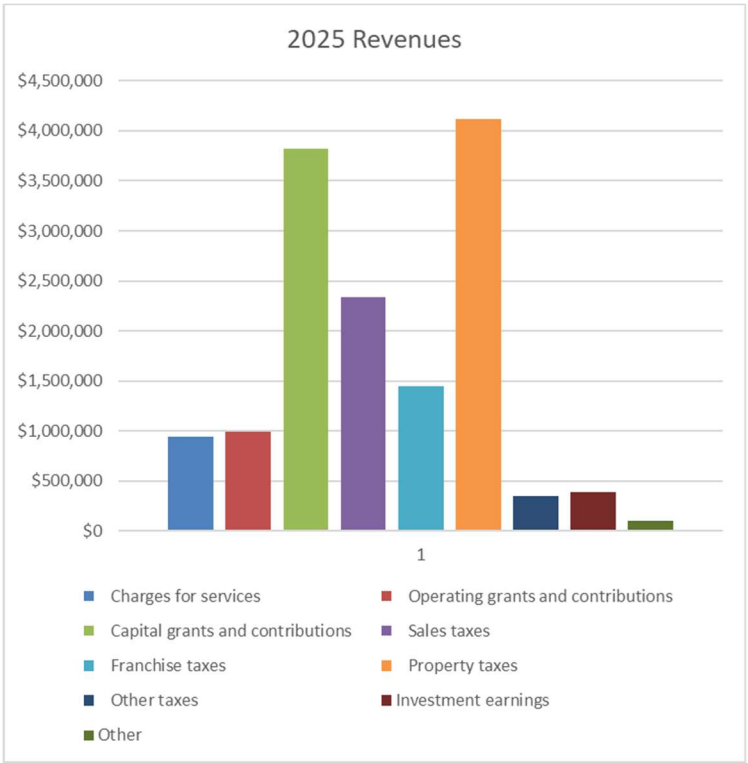
Changes in Net Position	**Governmental Activities**		**Business-Type Activities**		**Total**	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Revenues:						
Program revenues:						
Charges for services	$ 940,671	$ 1,127,757	$ 8,951,746	$ 8,577,848	$ 9,892,417	$ 9,705,605
Operating grants and contributions	996,206	1,510,082	-	-	996,206	1,510,082
Capital grants and contributions	4,052,587	5,012,616	-	-	4,052,587	5,012,616
General revenues:						
Property taxes	4,121,945	4,084,280	-	-	4,121,945	4,084,280
Other taxes	4,132,105	3,979,299	-	-	4,132,105	3,979,299
Unrestricted investment earnings	392,678	76,033	265,611	4,940	658,289	80,973
Miscellaneous	109,553	-	-	5,727	109,553	5,727
Total revenues	14,745,745	15,790,067	9,217,357	8,588,515	23,963,102	24,378,582
Expenses:						
General government	3,999,973	4,694,898	-	-	3,999,973	4,694,898
Public safety	4,807,188	4,265,740	-	-	4,807,188	4,265,740
Public works	2,699,792	2,678,394	-	-	2,699,792	2,678,394
Parks and recreation	1,156,934	933,321	-	-	1,156,934	933,321
Interest on long-term debt	305,217	428,861	-	-	305,217	428,861
Water	-	-	4,002,703	3,667,069	4,002,703	3,667,069
Wastewater	-	-	2,318,057	2,413,417	2,318,057	2,413,417
Refuse	-	-	709,958	586,303	709,958	586,303
Total expenses	12,969,104	13,001,214	7,030,718	6,666,789	19,999,822	19,668,003
Increase in net position before transfers	1,776,641	2,788,853	2,186,639	1,921,726	3,963,280	4,710,579
Transfers	1,694,610	1,644,323	(1,694,610)	(1,644,323)	-	-
Change in net position	3,471,251	4,433,176	492,029	277,403	3,963,280	4,710,579
Net position, beginning	34,115,244	29,682,068	28,245,279	27,967,876	62,360,523	57,649,944
Net position, ending	$ 37,586,495	$ 34,115,244	$ 28,737,308	$ 28,245,279	$ 66,323,803	$ 62,360,523

Governmental Activities

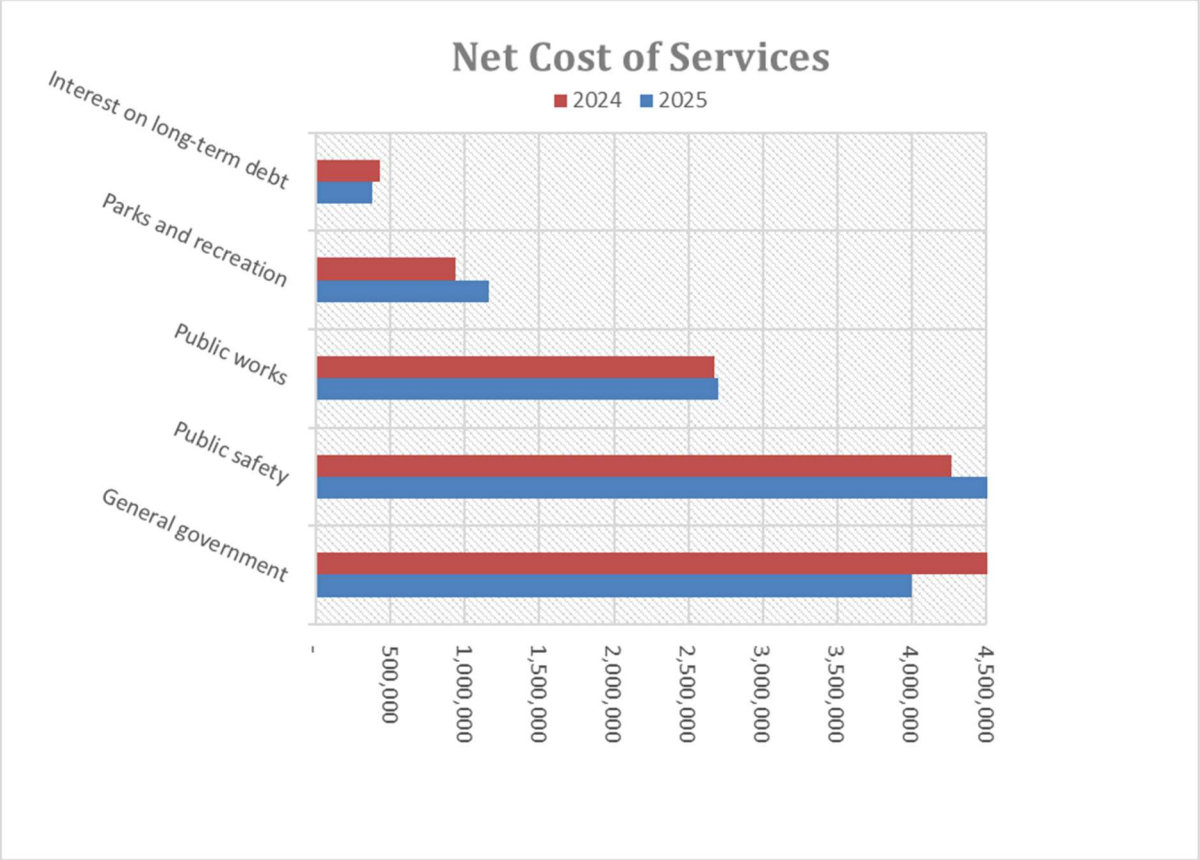
- Total revenues from governmental programs decreased by $1,044,322, or 6.61%. Operating grants and contributions slightly decreased in 2025, and charges for services decreased in 2025. Municipal court fines and fees and revenues for nuisance abatements increased by 8.7%. Property tax collections increased slightly by 0.9% based on increased property valuations (see below for more detail) and weak delinquent tax collections. Sales tax collections increased in 2025 with a 7.1% increase compared to 2024.
- Total expenses decreased by $32,110, or 0.2%. This decrease can be attributed to an increase in interest and not spending all that was budgeted for salaries due to retirements of higher paid employees. There were also salary increases and increased costs for fuel, utilities, and materials across the governmental activities.
- The tables below compare the mill levies and the related assessed values for the 2024 and 2025 budget. Per the County Appraiser, total assessed values increased by 9.98%. The real estate valuation increased 10.32% while the personal property valuation increased by only 0.29%. The Utilities valuation increased 7.63%. Finally, the value of property in the Neighborhood Revitalization program increased in 2025. The owners of the property enjoy tax rebates for up to 10 years after construction or improvements to the property, but the improved value of the property is added back to the tax rolls based on the program's graduated rebate schedule. The net impact of the changes is a net increase in valuation of 9.74%. As noted in the table below, the mill levy decreased by 1.450 mills.

	Mill Levy Rates			**Assessed Valuation**			
	2024 Levy to Support 2025 Budget	2023 Levy to Support 2024 Budget		2024 Valuation to Support 2025 Budget	2023 Valuation to Support 2024 Budget	Increase/ (Decrease) Over Prior Year	% Change
General	33.238	34.101	Real Estate	$ 90,846,961	$ 82,346,471	$ 8,500,490	10.32%
Debt Service	6.859	7.554	Personal Property	2,893,553	2,885,192	8,361	0.29%
Library	7.000	6.892	Utilities	10,557,161	9,808,517	748,644	7.63%
Total Levy	47.097	48.547	Neighborhood Revitalization	(5,172,111)	(4,913,329)	(258,782)	5.27%
				$ 99,125,564	$ 90,126,851	$ 8,998,713	9.98%

The following graph illustrates the composition of 2025 primary government revenues.



The following graph compares the net cost of services for governmental activities in 2025 and 2024:



The total cost of services in 2025 was $12,969,104; however, $5,761,851 was funded by users directly benefiting from the services, or by other organizations through operating and capital grants and contributions. The City's taxpayers, primarily through property taxes, franchise fees and sales taxes, paid the remaining $7,212,119 of these services.

Business-type Activities

- Total revenues for business activities increased by $628,842, or 7.3%. Revenue from charges for services increased 4.4%. The city did implement rate increases in 2025: water 2% for residential users and 3% for commercial users, wastewater 1% and CSO fees by 2.5%.
- Expenses for business-type activities increased by $363,929 (5.5%). Personnel costs increased slightly as the city was able to fill open positions throughout the year and due to annual pay increases. Spending for contractual services decreased for the water and solid waste funds in utility costs and increased in the wastewater fund.

Analysis of the Fund Financial Statements

The City uses fund accounting to enhance and demonstrate fiscal responsibility and compliance with finance related legal requirements.

	Total Fund Balance at December 31		Unrestricted Fund Balance at December 31	
	2025	2024	2025	2024
General	$ 3,337,235	$ 4,118,804	$ 3,337,235	$ 4,118,804
Capital Projects	2,111,904	2,873,289	2,096,991	2,779,857
Debt Service	162,122	188,198	-	-
Grant Funds	816,154	844,470	-	-
Water	14,196,752	13,711,360	1,163,833	1,049,540
Wastewater	13,382,167	12,909,467	4,574,325	4,508,794
Refuse	1,158,389	1,624,452	900,497	1,667,545
Total	$ 35,164,723	$ 36,270,040	$ 12,072,881	$ 14,124,540

Financial Analysis of the Government's Funds

The focus of the City's governmental funds is to provide information about current inflows, outflows, and balances of spendable resources. The unrestricted fund balance is a helpful measure of the City's resources available for expenditure at the end of the year. Overall, the City's major funds experienced a 3.05% decrease in total fund balance because of 2025 operations.

The general fund is the main operating fund of the City. As of December 31, 2025, the unassigned balance for the general fund was $1,547,643. To assess the liquidity of a fund it may be useful to compare the fund balance (total and unassigned) to the fund's total expenditures. For 2025, the unassigned fund balance is 13% of fund expenditures and the total fund balance is 28% of expenditures. The General Fund balance decreased by 18.98% from 2024. General fund revenues increased by 4.6% and expenditures increased 20% from 2024. Other financing sources increased by $1,255,738 (110.9%).

There was a decrease in the capital projects fund balance of 26.50%. The capital projects fund does not lend itself to year over year comparison because project spending tends to vary depending upon the priorities of the City Commission and the resources available.

There was a decrease in the debt service fund balance of 13.86%. No new debt was issued during 2025 and the reduced fund balance can be attributed to principal and interest payments made that paid down the outstanding debt balance.

There was a slight decrease in the grant fund balance of 3.35%. Like the capital projects fund, the grants fund does not lend itself to year over year comparison because grant applications are driven by project priorities set by the City Commission and funds are contingent upon an award.

The Water Fund had a slight increase by 3.54% to $14,196,752. The operating revenues of the water fund increased by 6.2%, and operating expenses increased by 15.8%. The increase in revenues can be attributed to the small increase made to residential, commercial and industrial rates at the beginning of 2025. Expenses increased due to operating costs being higher in 2025.

The Wastewater Fund balance increased by 3.66% to $13,382,167. Revenues increased by 2.16% while operating expenses, less depreciation, decreased slightly by 1.4%. Like the Water Fund, the Wastewater revenue increases can be attributed to the rate increases made at the beginning of 2025. Expenses decreased due to operating costs being slightly lower in 2025 The fund had an operating income of $696,592 at year end. Capital contributions to the fund increased $368,414.

The Refuse Fund balance decreased 28.69% to $1,158,389. Operating expenses increased by 23.9% due to the overall expenses being higher for 2025. The sales tax ended in spring 2023, and because of this the City implemented a $19.25 fee to all city residential customers for refuse service. This has caused a significant increase in our Refuse Fund with revenues seeing a slight 1.6% increase in 2025 to $839,995.

General Fund Budgetary Highlights

The following revenue and expenditure categories experienced significant differences between budgeted versus actual expenditures. Overall, the General Fund ended the year with a positive budget variance.

- Sales taxes and Transient Guest Taxes: sales taxes did exceed budget expectations in 2025 coming in 6.32% higher than budgeted. Transient Guest Tax collections exceeded expectations in 2025 by 36.07%.
- Franchise taxes: energy costs were lower in 2025, therefore gross sales which franchise fees are calculated on were also lower, resulting in franchise taxes below budget expectations for 2025.
- Licenses and permits: building permits were significantly higher than expected coming in 234.5% higher than budgeted due to an increase in residential developments throughout the City.
- Expenditures: Several departments experienced significant variances against budget. Most of the variances are positive:
    - City Manager: expenses came under budget expectations in 2025 by 17.11%. Due to Economic Development coming in significantly under budget by 39.8%.
    - Human Resources: salary exceeded budget expectations in 2025.
    - Finance: due to changing IT Providers in the last quarter, technical support services exceeded budget expectations for 2025.
    - Community Development: This department had savings in contractual services i.e., neighborhood assistance, nuisance abatement and professional services.
    - Atchison Event Center: At the end of 2020, the operations of the Event Center were turned over to a local non-profit resulting in budget savings to the city. Contractual and materials and supplies expenses came in under budget expectations for 2025.
    - Fire: Personnel costs at the Fire department were over budget due to personnel costs, overtime costs and group health insurance costs being higher than were budgeted for.
    - Police: group health insurance went slightly over for 2025. Higher training/travel expenses increased professional services, and increased cost for equipment and repairs created a negative budget variance in contractual services. Overall, the police budget ended with a positive budget variance.
    - Animal Control: due to adding an extra Animal Control officer in 2025 and increasing services, the budget was overspent 49.9%.
    - Facilities: costs for utilities and maintenance came in below budget expectations, creating a positive budget variance.
    - Public Works Administration: this department had savings in part-time salaries and small savings in contractual services.
    - Parks: Personnel services are over budget because of overspending in overtime due to the difficulty in keeping positions filled in 2025. Fuel and chemicals had a positive impact on the budget. Overall, this budget ended with a negative budget variance.
    - Municipal Pool: In 2025, staffing resumed normal levels. All expenses came in below budget expectations, causing a positive budget variance of 14.08%.

Capital Assets and Debt Administration

Capital Assets

The City's total investment in capital assets as of December 31, 2025, was $76,434,420 (net of accumulated depreciation). This is a 4.7% increase from 2024. A breakdown of assets by category is presented below.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 3,123,254	$ 3,123,254	$ 101,537	$ 101,537	$ 3,224,791	$ 3,224,791
Construction in progress	9,472,838	5,732,507	457,855	176,181	9,930,693	5,908,688
Buildings and systems	4,841,155	5,092,817	29,113,688	29,718,866	33,954,843	34,811,683
Improvements	4,200,785	4,600,228	-	-	4,200,785	4,600,228
Machinery and equipment	2,007,351	1,559,092	1,976,330	1,991,183	3,983,681	3,550,275
Infrastructure	20,879,243	20,198,543	-	-	20,879,243	20,198,543
Subscription Asset	260,384	724,136	-	-	260,384	724,136
	$ 44,785,010	$ 41,030,577	$ 31,649,410	$ 31,987,767	$ 76,434,420	$ 73,018,344

Construction in progress increased significantly due to several projects including the ongoing airport runway project and the start of a street rehabilitation project, and park improvement projects. Notable projects completed in 2025 include the US 59 Overlay, Collector Wells and Radial Collector Wells Improvements, Water Mains Replacement, Water Plant Communication Upgrades, and Santa Fe West Sidewalk Improvements

Additional information regarding the City's capital assets can be found in Notes 1 and 6 in the notes to the financial statements.

Debt Administration

Long-term debt – The outstanding general obligation bonds on December 31, 2025, totaled $6,575,284 and the outstanding bonds supported by revenues of business activities totaled $9,026,600. In 2025, Moody's Investor Services gave the city an "A1" credit rating, positively impacting rates for future bond issuances.

The ratio of general obligation bonded debt to assessed valuation and the amount of bonded debt per capita provide useful indicators of the City's debt position to citizens, elected officials, City management and investors. This data for the city at the end of 2025 is presented below.

	Net General Obligation Debt	Ratio of Debt to Assessed Value	Debt Per Capita
2025	$ 6,575,284	6.63%	$ 609

State statutes limit net general obligation debt to 30 percent of assessed value. On December 31, 2025, taxable assessed valuation was $99,125,564 and net bonded debt was $6,454,981. The City's debt margin totaled $23,282,688.

Additional information regarding the City's debt can be found in Note 11 in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. In compliance with the Kansas Open Records Act, questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk, 515 Kansas Avenue, Atchison, Kansas 66002.

Basic Financial Statements

2025

CITY OF ATCHISON, KANSAS
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Public Library
Assets:				
Cash and cash equivalents	$ 7,617,702	$ 6,756,031	$ 14,373,733	$ 630,300
Restricted cash and investments	14,913	-	14,913	95,009
Receivables, net of allowance for uncollectibles:				
Taxes	4,814,888	-	4,814,888	727,046
Intergovernmental	73,648	-	73,648	-
Accounts	63,061	1,351,244	1,414,305	-
Interest	71,590	-	71,590	-
Loans	10,757	-	10,757	-
Leases	2,379,225	-	2,379,225	-
Special assessments	952,368	-	952,368	-
Capital assets, net of accumulated depreciation/amortization:				
Land	3,123,254	101,537	3,224,791	8,995
Construction in progress	9,472,838	457,855	9,930,693	-
Books	-	-	-	60,702
Buildings and systems	4,841,155	29,113,688	33,954,843	701,594
Improvements	4,200,785	-	4,200,785	-
Machinery and equipment	2,007,351	1,976,330	3,983,681	17,931
Infrastructure	20,879,243	-	20,879,243	-
Subscription asset	260,384	-	260,384	126,705
Total assets	60,783,162	39,756,685	100,539,847	2,368,282
Deferred outflows of resources:				-
Deferred outflows - OPEB	376,926	-	376,926	-
Deferred outflows - pension	1,343,988	236,850	1,580,838	44,044
Total deferred outflows of resources	1,720,914	236,850	1,957,764	44,044
Liabilities:				
Accounts payable	656,791	266,060	922,851	-
Health insurance payable	200,007	-	200,007	-
Accrued liabilities	206,335	49,786	256,121	2,215
Accrued interest payable	56,454	50,697	107,151	-
Unearned revenue	145,991	-	145,991	-
Noncurrent liabilities:				
Due within one year	1,233,187	1,125,353	2,358,540	73,905
Due in more than one year	14,682,401	9,650,902	24,333,303	253,773
Total liabilities	17,181,166	11,142,798	28,323,964	329,893
Deferred inflows of resources:				
Deferred inflows - property taxes	4,261,106	-	4,261,106	727,046
Deferred inflows - OPEB	536,527	-	536,527	-
Deferred inflows - pension	616,339	113,429	729,768	45,841
Deferred inflows - leases	2,322,443	-	2,322,443	-
Total deferred inflows of resources	7,736,415	113,429	7,849,844	772,887
Net position:				
Net investment in capital assets	37,119,678	22,098,653	59,218,331	785,800
Restricted for:				
Substance abuse prevention and emergency shelter	830,655	-	830,655	-
Capital projects and maintenance	264,531	-	264,531	-
Debt service	120,581	-	120,581	-
Library projects	-	-	-	32,219
Public safety	37,927	-	37,927	-
Parks and recreation facilities	149,151	-	149,151	-
Acquisition and re-development of property	328,660	-	328,660	-
Unrestricted	(1,264,688)	6,638,655	5,373,967	491,527
Total net position	$ 37,586,495	$ 28,737,308	$ 66,323,803	$ 1,309,546

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Public Library
Primary government:								
Governmental activities:								
General government	$ 3,999,973	$ 714,616	$ 579,432	$ -	$ (2,705,925)	$ -	$ (2,705,925)	$ -
Public safety	4,807,188	75,768	71,981	13,960	(4,645,479)	-	(4,645,479)	-
Public works	2,699,792	150,287	290,722	4,038,627	1,779,844	-	1,779,844	-
Parks and recreation	1,156,934	-	54,071	-	(1,102,863)	-	(1,102,863)	-
Interest on long-term debt	305,217	-	-	-	(305,217)	-	(305,217)	-
Total governmental activities	12,969,104	940,671	996,206	4,052,587	(6,979,640)	-	(6,979,640)	-
Business-type activities:								
Water	4,002,703	5,138,895	-	-	-	1,136,192	1,136,192	-
Wastewater	2,318,057	2,972,856	-	-	-	654,799	654,799	-
Refuse	709,958	839,995	-	-	-	130,037	130,037	-
Total business-type activities	7,030,718	8,951,746	-	-	-	1,921,028	1,921,028	-
Total primary government	$19,999,822	$ 9,892,417	$ 996,206	$ 4,052,587	(6,979,640)	1,921,028	(5,058,612)	-
Component unit:								
Public Library	$ 774,668	$ 19,590	$ 123,086	$ -	-	-	-	(631,992)
General revenues:								
Property taxes					4,121,945	-	4,121,945	707,072
Sales taxes					2,338,260	-	2,338,260	-
Franchise taxes					1,448,721	-	1,448,721	-
Guest taxes					311,473	-	311,473	-
Payment in lieu of taxes					33,651	-	33,651	-
Unrestricted investment income					392,678	265,611	658,289	26,607
Gain on sale of capital assets					35,331	-	35,331	-
Miscellaneous revenue					74,222	-	74,222	6,896
Transfers					1,694,610	(1,694,610)	-	-
Total general revenues and transfers					10,450,891	(1,428,999)	9,021,892	740,575
Change in net position					3,471,251	492,029	3,963,280	108,583
Net position, beginning of year					34,115,244	28,245,279	62,360,523	1,200,963
Net position, end of year					$ 37,586,495	$ 28,737,308	$ 66,323,803	$ 1,309,546

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General*	Capital Projects	Debt Service	Grant Funds	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	$ 3,342,502	$ 2,309,250	$ 162,122	$ 962,301	$ 841,527	$ 7,617,702
Restricted cash and investments	-	14,913	-	-	-	14,913
Receivables (net of allowance for uncollectibles):						
Taxes	4,504,219	-	310,669	-	-	4,814,888
Intergovernmental	-	72,639	-	1,009	-	73,648
Accounts	63,061	-	-	-	-	63,061
Interest	71,590	-	-	-	-	71,590
Loans	10,757	-	-	-	-	10,757
Leases	2,379,225	-	-	-	-	2,379,225
Special assessments	-	-	952,368	-	-	952,368
Total assets	$ 10,371,354	$ 2,396,802	$ 1,425,159	$ 963,310	$ 841,527	$ 15,998,152
Liabilities, deferred inflows of resources, and fund balances:						
Liabilities:						
Accounts payable	$ 354,897	$ 284,898	$ -	$ 1,165	$ 15,831	$ 656,791
Accrued payroll	206,335	-	-	-	-	206,335
Estimated insurance claims	200,007	-	-	-	-	200,007
Unearned revenue	-	-	-	145,991	-	145,991
Total liabilities	761,239	284,898	-	147,156	15,831	1,209,124
Deferred inflows of resources:						
Deferred inflows - property taxes	3,950,437	-	310,669	-	-	4,261,106
Deferred inflows - special assessments	-	-	952,368	-	-	952,368
Deferred inflows - leases	2,322,443	-	-	-	-	2,322,443
Total deferred inflows of resources	6,272,880	-	1,263,037	-	-	7,535,917
Fund balances:						
Restricted:						
Substance abuse prevention and emergency shelter	-	-	-	735,831	94,824	830,655
Capital projects and maintenance	-	-	-	12,467	252,064	264,531
Public safety	-	-	-	37,927	-	37,927
Parks and recreation facilities	-	-	-	29,929	119,222	149,151
Debt service	-	14,913	162,122	-	-	177,035
Acquisition and re-development of property	-	-	-	-	328,660	328,660
Assigned:						
Purchases on order - finance	167,595	-	-	-	-	167,595
Subsequent year's budget - appropriation of fund balance	1,621,997	2,096,991	-	-	30,926	3,749,914
Unassigned	1,547,643	-	-	-	-	1,547,643
Total fund balances	3,337,235	2,111,904	162,122	816,154	825,696	7,253,111
Total liabilities, deferred inflows of resources, and fund balances	$ 10,371,354	$ 2,396,802	$ 1,425,159	$ 963,310	$ 841,527	$ 15,998,152

* See the General Fund Combining Balance Sheet on page 85.

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2025

Total fund balance in governmental funds balance sheet	$	7,253,111
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		44,785,010
Other long-term assets are not available to pay for current expenditures and therefore are reported as unavailable in the funds.		952,368
Deferred outflows represent a consumption of net position that applies to a future period and so will not be recognized as an expenditure of resources until then.		1,720,914
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(15,972,042)
Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as a revenue until then.		(1,152,866)
Net position of governmental activities	$	37,586,495

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	General*	Capital Projects	Debt Service	Grant Funds	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property	$ 3,374,709	$ -	$ 747,236	$ -	$ -	$ 4,121,945
Sales	2,312,385	25,875	-	-	-	2,338,260
Franchise	1,448,721	-	-	-	-	1,448,721
Transient guest	299,357	12,116	-	-	-	311,473
Payments in lieu of taxes	33,651	-	-	-	-	33,651
Special assessments	-	-	103,627	-	-	103,627
Intergovernmental	180,952	3,914,512	-	444,638	394,592	4,934,694
Licenses and permits	158,779	-	-	-	-	158,779
Charges for services	473,477	-	-	-	-	473,477
Fines and fees	145,937	-	-	-	-	145,937
Interest on investments	273,856	88,875	18,675	3,236	15,238	399,880
Other	56,582	195,263	-	40,073	5,100	297,018
Total revenues	8,758,406	4,236,641	869,538	487,947	414,930	14,767,462
Expenditures:						
Current:						
General government	2,668,835	720	-	516,263	223,110	3,408,928
Public works	1,631,529	-	-	-	-	1,631,529
Public safety	4,656,037	-	-	-	-	4,656,037
Parks and recreation	962,529	-	-	-	12,851	975,380
Debt service:						
Principal	582,501	270,400	731,600	-	-	1,584,501
Interest and fiscal charges	70,696	10,388	164,014	-	-	245,098
Capital outlay	1,356,005	6,086,518	-	-	-	7,442,523
Total expenditures	11,928,132	6,368,026	895,614	516,263	235,961	19,943,996
Excess (deficiency) of revenues over (under) expenditures	(3,169,726)	(2,131,385)	(26,076)	(28,316)	178,969	(5,176,534)
Other financing sources (uses):						
Sale of capital assets	74,295	-	-	-	-	74,295
Issuance of financed purchase	603,000	-	-	-	-	603,000
Issuance of SBITA liabilities	8,081	-	-	-	-	8,081
Insurance recoveries	59,426	-	-	-	-	59,426
Transfers in	1,813,355	1,420,000	-	-	20,000	3,253,355
Transfers out	(170,000)	(50,000)	-	-	(95,000)	(315,000)
Total other financing sources	2,388,157	1,370,000	-	-	(75,000)	3,683,157
Net change in fund balances	(781,569)	(761,385)	(26,076)	(28,316)	103,969	(1,493,377)
Fund balances, beginning of year	4,118,804	2,873,289	188,198	844,470	721,727	8,746,488
Fund balances, end of year	$ 3,337,235	$ 2,111,904	$ 162,122	$ 816,154	$ 825,696	$ 7,253,111

*See the General Fund Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances on page 86.

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(1,493,377)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.		4,035,397
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position		114,902
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds		(104,783)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		981,716
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(62,604)
Change in net position of governmental activities	$	3,471,251

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2025

	Major Funds		Nonmajor Fund	
	Water	Wastewater	Refuse	Total
Assets:				
Current assets:				
Cash and cash equivalents	$ 1,203,129	$ 4,562,921	$ 989,981	$ 6,756,031
Receivables (net of allowance for uncollectibles):				
Accounts	767,975	453,172	130,097	1,351,244
Total current assets	1,971,104	5,016,093	1,120,078	8,107,275
Noncurrent assets:				
Capital assets:				
Land	84,396	17,141	-	101,537
Buildings and systems	38,181,865	25,534,426	-	63,716,291
Machinery and equipment	3,388,842	2,903,080	997,883	7,289,805
Construction in progress	218,999	238,856	-	457,855
Less accumulated depreciation	(22,138,137)	(17,059,972)	(717,969)	(39,916,078)
Total noncurrent assets	19,735,965	11,633,531	279,914	31,649,410
Total assets	21,707,069	16,649,624	1,399,992	39,756,685
Deferred outflows of resources:				
Deferred outflows - pension	108,814	91,230	36,806	236,850
Liabilities:				
Current liabilities:				
Accounts payable	183,304	68,076	14,680	266,060
Accrued payroll	30,995	11,406	7,385	49,786
Accrued interest payable	34,428	16,269	-	50,697
Accrued compensated absences - current	12,658	9,710	26,002	48,370
Bonds payable - current	705,278	256,919	-	962,197
Financed purchase - current	92,764	-	22,022	114,786
Total current liabilities	1,059,427	362,380	70,089	1,491,896
Noncurrent liabilities:				
Accrued compensated absences	110,765	48,554	33,881	193,200
Net pension liability	478,259	345,337	160,332	983,928
Bonds payable	5,606,796	2,568,770	-	8,175,566
Financed purchase	298,208	-	-	298,208
Total noncurrent liabilities	6,494,028	2,962,661	194,213	9,650,902
Total liabilities	7,553,455	3,325,041	264,302	11,142,798
Deferred inflows of resources:				
Deferred inflows - pension	65,676	33,646	14,107	113,429
Net position:				
Net investment in capital assets	13,032,919	8,807,842	257,892	22,098,653
Unrestricted	1,163,833	4,574,325	900,497	6,638,655
Total net position	$ 14,196,752	$ 13,382,167	$ 1,158,389	$ 28,737,308

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended December 31, 2025

	Major Funds		Nonmajor Fund	
	Water	Wastewater	Refuse	Total
Operating revenues:				
Charges for sales and services	$ 5,138,895	$ 2,972,856	$ 839,995	$ 8,951,746
Operating expenses:				
Personnel services	736,942	769,354	364,359	1,870,655
Contractual services	714,913	534,856	156,533	1,406,302
Supplies	696,702	83,783	46,982	827,467
Utilities	383,420	229,058	11,179	623,657
Depreciation	1,341,740	659,213	108,180	2,109,133
Total operating expenses	3,873,717	2,276,264	687,233	6,837,214
Operating income	1,265,178	696,592	152,762	2,114,532
Nonoperating revenues (expenses):				
Interest on investments	37,509	168,127	59,975	265,611
Interest expense	(128,986)	(41,793)	(22,725)	(193,504)
Total nonoperating revenues (expenses)	(91,477)	126,334	37,250	72,107
Income before transfers and capital contributions	1,173,701	822,926	190,012	2,186,639
Capital contributions	875,331	368,414	-	1,243,745
Transfers out	(1,563,640)	(718,640)	(656,075)	(2,938,355)
Change in net position	485,392	472,700	(466,063)	492,029
Net position, beginning of year	13,711,360	12,909,467	1,624,452	28,245,279
Net position, end of year	$ 14,196,752	$ 13,382,167	$ 1,158,389	$ 28,737,308

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2025

	Major Funds		Nonmajor Fund	
	Water	Wastewater	Refuse	Total
Cash flows from operating activities:				
Receipts from customers	$ 5,034,540	$ 2,890,041	$ 826,310	$ 8,750,891
Payments to suppliers	(1,710,351)	(825,357)	(204,480)	(2,740,188)
Payments to employees	(761,053)	(786,267)	(365,179)	(1,912,499)
Net change in cash from operating activities	2,563,136	1,278,417	256,651	4,098,204
Cash flows from noncapital financing activities:				
Transfers to other funds	(1,563,640)	(718,640)	(656,075)	(2,938,355)
Net change in cash from noncapital financing activities	(1,563,640)	(718,640)	(656,075)	(2,938,355)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(94,341)	(432,690)	-	(527,031)
Principal paid on financed purchases	(92,848)	-	(409,164)	(502,012)
Interest paid on capital debt	(136,521)	(53,776)	(22,725)	(213,022)
Principal paid on general obligation bonds	(648,400)	(255,000)	-	(903,400)
Net change in cash from capital and related financing activities	(972,110)	(741,466)	(431,889)	(2,145,465)
Cash flows from investing activities:				
Interest received on investments	37,509	168,127	59,975	265,611
Net change in cash and cash equivalents	64,895	(13,562)	(771,338)	(720,005)
Cash and cash equivalents, beginning of year	1,138,234	4,576,483	1,761,319	7,476,036
Cash and cash equivalents, end of year	$ 1,203,129	$ 4,562,921	$ 989,981	$ 6,756,031
Reconciliation of operating income to net change in cash from operating activities:				
Operating income	$ 1,265,178	$ 696,592	$ 152,762	$ 2,114,532
Adjustments to reconcile operating income to net change in cash from operating activities:				
Items not requiring cash:				
Depreciation expense	1,341,740	659,213	108,180	2,109,133
Changes in:				
Accounts receivable	(104,355)	(82,815)	(13,685)	(200,855)
Deferred outflows - pension	14,320	12,649	5,766	32,735
Accounts payable	84,684	22,340	10,214	117,238
Accrued compensated absences	(18,705)	(7,642)	2,117	(24,230)
Accrued payroll	5,109	18	1,297	6,424
Net pension liability	(23,493)	(20,752)	(9,460)	(53,705)
Deferred inflows - pension	(1,342)	(1,186)	(540)	(3,068)
Net change in cash from operating activities	$ 2,563,136	$ 1,278,417	$ 256,651	$ 4,098,204

Noncash capital financing activities:
Contributions of capital assets of $ 875,331 were acquired in the water fund from governmental funds.
Contributions of capital assets of $ 368,414 were acquired in the wastewater fund from governmental funds.

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2025

	Custodial Funds
Assets:	
Cash and cash equivalents	$ 108,661
Liabilities:	
Due to others	5,012
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	103,649
Total liabilities and net position	$ 108,661

See accompanying notes to basic financial statements.

CITY OF ATCHISON, KANSAS
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2025

	Custodial Funds
Additions:	
Charges for service	$ 56,499
Contributions	249,914
Interest on investments	4,815
Total additions	311,228
Deductions:	
Payments to others	211,003
Administrative	49,130
Miscellaneous	33,007
Total deductions	293,140
Net change in net position	18,088
Net position, beginning of year	85,561
Net position, end of year	$ 103,649

See accompanying notes to basic financial statements.

1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Atchison, Kansas (the City) was incorporated in 1858. The City operates under a City Commission - Manager form of government. The accompanying basic financial statements present the City (the primary government) and its component unit, an entity for which the City is considered to be financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for the description) to emphasize that it is legally separate from the City.

Discretely Presented Component Unit. The Atchison Public Library (the Library) is operated by a Library Board which is appointed by the City Commission. The City levies and collects a special library tax to subsidize the Library's operations. The Library's operating budget is limited to seven mills by charter ordinance of the City Commission. The City must approve acquisition or disposition of real property by the Library, but the Library owns the capital assets. Bond issuances must also be approved by the City. The Library is presented as a governmental fund type. Separately issued financial statements for the Library are not available.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are generally considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. A 90-day availability period is used for revenue recognition for all governmental funds revenues except property taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible to accrual criteria are met.

Property taxes, sales taxes, franchise taxes, interest associated with the current fiscal period, and certain state and federal grants and entitlements are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City. While property taxes receivable are shown on the balance sheet as current assets of the City, they are not recognized as revenue at year end because statutory provisions prohibit their use until the year for which they were levied and budgeted. Instead, they are offset by unavailable revenue accounts.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. This fund accounts for the general operating transactions of the City including public safety, public works, parks, recreation, and administration.

The capital projects fund is a fund used by the City for the acquisition and construction of major facilities other than those financed by the enterprise funds.

The debt service fund is a fund used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The grants fund is used to account for grant proceeds received from various funding sources.

The City reports the following major proprietary funds:

The water fund accounts for the operation and maintenance activities of the City's water distribution system.

The wastewater fund accounts for the operation and maintenance activities of the City's wastewater collection and treatment system.

Additionally, the City reports the following fund type:

> Custodial funds are used to report resources held by the City in a custodial capacity for remittance to private organizations. These funds are held on behalf of the Amelia Earhart Festival, Santa Fe Depot Enhancement, and Veteran's Memorial Park.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water/wastewater function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and wastewater funds are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Pooled Cash and Investments

Cash and cash equivalents of the individual funds are combined to form a pool that is managed by the Director of Finance. Each fund's equity in the pool is included in "cash and cash equivalents" in the financial statements. These pooled funds consist of operating accounts. Investment earnings, including interest income, are allocated to the funds required to accumulate interest; other investment earnings are allocated based on management discretion and upon their average monthly equity balances. If a fund is not required to account for its own earnings by law or regulation, the earnings are allocated to the General Fund. For the fiscal year ended December 31, 2025, interest earnings allocated to the various funds were $ 392,678.

The City's investments are reported in the accompanying financial statements at fair value, except for the money market account which is recorded at cost as it is considered to be a cash equivalent.

The Library's investments at the Atchison Area Community Foundation (AACF) are pooled shares recorded at net asset value based on quoted market prices or at estimated fair value as reported by the fund manager. The fair value of the Library's position is the same as the pool value of the shares as reported by the fund manager. AACF invests in various other investments including private equity funds, fixed income and other alternative investments.

Cash Flows Statement

For purposes of the cash flows statement, the City considers deposits and highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or

"advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade accounts receivable are shown net of an allowance for uncollectibles. Management records a trade accounts receivable allowance based on percentages of collection estimated from the aging of the accounts receivable. At December 31, 2025, an allowance for uncollectible receivables of approximately $ 818,000 has been recorded.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds unavailable revenue is reported as follows:

General fund property tax receivable	$	3,950,437
General fund leases receivable		2,322,443
Debt service fund property tax receivable		310,669
Debt service fund special assessments receivable		952,368
	$	7,535,917

Property Taxes

The City's property taxes are levied each year on the assessed value of all real estate listed as of the prior January 1, the lien date. Assessed values are established by the Atchison County Assessor. The assessed value for property located in the City on which the 2025 levy was based was $ 103,793,410.

Property taxes are legally restricted for use in financing operations of the ensuing year. Accordingly, the City defers revenue recognition until the year for which they are to be used. Property taxes are levied on November 1. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. Property taxes become delinquent on December 20 of each fiscal year if the taxpayer has not remitted at least one-half of the amount due. The 2024 tax levy per $ 1,000 of assessed valuation which supports the 2025 budget was as follows:

General Fund	$	33.238
Debt Service Fund		6.859
Component unit:		
Public Library		7.000
	$	47.097

Property taxes levied in prior years that remain uncollected are recorded as receivables, net of estimated uncollectibles.

Special Assessments Receivable

As required by State statutes, projects financed in part by special assessments are financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Further, State statutes permit levying additional general ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable. Accordingly, special assessments receivable are accounted for within the City's debt service fund. Special assessment taxes are levied over a ten or twenty- year period and the annual installments are due and payable with annual ad valorem property taxes. At December 31, the special assessment taxes levied are a lien on the property and are recorded as special assessments receivable in the debt service fund and accrued as revenues in the statement of activities. Since they are not considered available spendable resources for the governmental funds, the special assessment receivables are reported as unavailable revenue in the fund financial statements.

Restricted Assets

Restricted investments consist of assets held by trustees for the sales tax special obligation revenue bonds.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks, and similar items), and construction in progress are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than $ 5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful lives.

Buildings and systems	20 - 40 years
Improvements	20 years
Machinery and equipment	3 - 10 years
Infrastructure	40 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The first item is the deferred outflows – pension reported in the government-wide and proprietary fund statements of net position. The second item is deferred outflows - OPEB reported in the government-wide statement of net position. See Notes 7 and 8 for more information on the deferred outflows for the pension plan and OPEB, respectively.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has several types of items that qualify for reporting in this category. One item, deferred inflows from property taxes, is reported in the governmental funds balance sheet and the governmental activities in the government-wide statement of net position. Deferred inflows from special assessments are reported in the governmental funds balance sheet. The other items are deferred inflows for leases, pension, and OPEB. See Notes 5, 7, and 8 for more information on the deferred inflows for the leases, pension plan, and OPEB, respectively.

Compensated Absences

Under the terms of the City's personnel policy, City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee with twenty years of service or more will receive accumulated sick leave up to a maximum of 120 days and all accumulated vacation leave, provided the employee has met all conditions set forth in Section VI of the City's personnel policy. An employee with fifteen to twenty years of service will receive one-half of accumulated sick leave, which is limited to a maximum of forty-five days, and all accumulated vacation leave in the event of termination. An employee with ten to fifteen years of service will receive one-fourth of accumulated sick leave, which is limited to a maximum of fifteen days, and all accumulated vacation leave in the event of termination. The government-wide and proprietary funds basic financial statements recognize liabilities for accrued compensated absences for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability is also recognized for leave that has been used but not yet paid in cash or settled through noncash means. In the governmental fund financial statements, a liability is accrued for the amount that normally would be liquidated with expendable available financial resources.

Leases

The City is a lessee for various noncancellable long-term leases. The City recognizes lease obligation payable and an intangible right-to-use lease asset (lease asset) in the statement of net position. The City recognizes lease obligations payable with an initial, individual value of $ 5,000 or more.

At the commencement of a lease, the City initially measures the lease obligations payable at the present value of lease payments expected to be made during the lease term. Subsequently, the lease obligations payable is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease obligations payable, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease obligations payable are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and obligations payable if certain changes occur that are expected to significantly affect the amount of the lease obligations payable.

Lease assets are reported with other capital assets and lease obligations payable are reported with long-term debt on the statement of net position.

The City is a lessor for leases of buildings, infrastructure and equipment. The City recognizes a lease receivable and a deferred inflow of resources on the statement of net position and governmental funds' balance sheet.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the leases receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the leases receivable.

Subscription-Based Information Technology Arrangements (SBITAs)

The City is a party for various noncancellable long-term SBITAs. The City recognizes a SBITA liability and an intangible right-to-use SBITA asset (subscription asset) in the statement of net position. The City recognizes SBITA liabilities with an initial, individual value of $ 5,000 or more.

At the commencement of a SBITA, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected payments to present value, (2) SBITA term, and (3) payments. The City uses the interest rate charged by the other party as the discount rate. When the interest rate charged by the other party is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The SBITA term includes the noncancellable period of the SBITA. Payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription assets and SBITA liabilities if certain changes occur that are expected to significantly affect the amount of the SBITA liabilities.

Subscription assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of KPERS, and additions to/deductions from KPERS's fiduciary net position have been determined on the same basis as they are reported by KPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of December 31, 2025, fund balances for governmental funds are made up of the following:

Nonspendable fund balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed fund balance – includes amounts that can only be spent for specific purposes determined by a formal action (adoption of an ordinance) of the City's highest level of decision-making authority, the City Commission. Commitments may be changed or lifted only by the City Commission taking the same formal action that imposed the constraint originally.

Assigned fund balance – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (1) the City Commission or (2) a body or official to which the City Commission has delegated the authority by resolution to assign amounts to be used for specific purposes.

Unassigned fund balance – is the residual classification for the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

Concentrations of Credit Risk

Unsecured credit is extended to customers for water and sewer fees and charges for services. Intergovernmental receivables include unsecured amounts due from federal, state, and county agencies for various grant programs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

During the year, the City adopted the following accounting standards:

GASB Statement No. 102, *Certain Risk Disclosures*, The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by assessing whether a concentration or constraint makes the primary government reporting units vulnerable to the risk of substantial impact.

Pending Governmental Accounting Standards Board Statements

At December 31, 2025, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements that might impact the City are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement will become effective for the City in the fiscal year ended December 31, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and additional disclosures for capital assets held for sale. The requirements of this Statement will become effective for the City in the fiscal year ended December 31, 2026.

GASB Statement No. 105, *Subsequent Events* – The objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing the consistency in their application and better meeting the information needs of financial statement users. This statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events. The requirements of this statement are effective for the City in the fiscal year ended December 31, 2027.

2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position of governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this $ 15,972,042 difference are as follows:

Bonds payable	$	(6,503,400)
Bond premium		(71,884)
Notes payable - financed purchases		(816,237)
Lease obligations payable		(4,339)
SBITA liability		(269,472)
Accrued interest payable		(56,454)
Compensated absences		(860,858)
Net pension liability		(6,443,917)
Total OPEB liability		(945,481)
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	$	(15,972,042)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense." The details of this $ 4,035,397 difference are as follows:

Capital outlay	$	6,225,957
Depreciation expense		(2,102,887)
Amortization expense		(87,673)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	4,035,397

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $ 981,716 difference are as follows:

Principal repayments:		
General obligation bonds	$	791,600
Notes payable - financed purchases		437,878
Lease obligations payable		2,168
SBITA liability		82,456
Amortization of bond premium		8,295
Sales tax special obligation revenue bonds		270,400
Debt issued or incurred:		
Notes payable - financed purchases		(603,000)
SBITA liability		(8,081)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	981,716

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $ 62,604 difference are as follows:

Compensated absences	$	(60,740)
Accrued interest		12,057
Pension contributions		5,077
Total OPEB liability		(18,998)
Net adjustment to decrease net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	$	(62,604)

3 - Stewardship, Compliance, and Accountability

Budgetary Information

Applicable Kansas statutes require that budgets be legally adopted for all funds unless exempted by a specific statute. Legal operating budgets are required for the General, Special Alcohol, Special Parks and Recreation, Motor Fuel, Debt Service, and Land Bank Funds. Budgets are not required for the Law Enforcement, DARE, Grants, Insurance Reserve, Capital Projects, Municipal Equipment Reserve, Façade Improvements, Health Insurance, Water, Wastewater, and Refuse Funds. All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting - that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in a local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

If the City is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget is adjusted to on or before September 20. The City did hold a revenue neutral rate hearing for fiscal year 2025.

Kansas statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year ended December 31, 2025.

Under Kansas statutes management cannot amend the total budget of a fund without approval of the governing body; however, the statutes permit transferring budgeted amounts between line items within an individual fund or department. Therefore, the legal level of control is at the fund level for all legally adopted budgets. The City has elected to pursue a policy of requiring approval of the City Manager on major category changes exceeding $ 5,000. City Commission approval is not needed for category changes or budget transfers between departments within the approved budget. Major category means total personnel services, total contractual services, total materials and supplies, total other charges, or total capital outlay.

4 - Deposits and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the

benefit of the City. At December 31, 2025, the City's deposits were not exposed to custodial credit risk. The deposits for the Library were not exposed to custodial credit risk.

Investments

As of December 31, 2025, the City had the following investments:

Investment Type	Fair Value	Maturity	Rating
Money market mutual funds	$ 14,913	< 1 year	Not rated

As of December 31, 2025, the Library had the following investments:

Investment Type	Fair Value	Maturity	Rating
Investments held in trust at Atchison Area Community Foundation (AACF) - pooled shares	$ 95,009	< 1 year	Not rated

Credit risk

Kansas statutes authorize the City and the Library, with certain restrictions, to deposit or invest in temporary notes, no-fund warrants, open accounts, time deposits, certificates of deposit, repurchase agreements, U.S. Treasury Bills and Notes, the municipal investment pool, or to make direct investments. City Ordinance 4896 further limits the investment of temporarily idle funds of the City to either, or all, of the following:

1. Direct obligations of the United States Government.
2. Temporary notes of the City.
3. Interest bearing certificates of deposit of the depository banks of the City.
4. Interest bearing accounts with federally insured savings and loan associations in such amounts not exceeding such federal insurance.

Concentrations of Credit Risk

State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City's investments as of December 31, 2025 consisted entirely of money market mutual funds. The Library's investments as of December 31, 2025 consisted entirely of pooled shares held at the AACF.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The City and the Library do not have a formal investment policy that limits investment maturities as a means of managing their exposure to fair value losses arising from rising interest rates, but state statutes do establish a two-year limitation on investment maturities. In practice, the City and the Library do not exceed a one-year maturity when investing idle funds. The City and the Library are not exposed to significant interest rate risk.

Fair Value Measurement

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

For the year ended December 31, 2025, the money market mutual funds were valued with quoted prices on the active market (Level 1 input). The AACF investments are a net asset value investment and are, therefore, not classified in the fair value hierarchy.

At December 31, 2025, the City's investments were categorized within the fair value hierarchy as follows:

		Fair Value Measurements at Reporting Date Using		
Investment Type	Fair Value	Level 1	Level 2	Level 3
Money market mutual funds	$ 14,913	$ 14,913	$ -	$ -

5 - Leases Receivable

The City entered into a 52-month lease as lessor for the use of Spatz Hangar. An initial lease receivable was recorded in the amount of $ 59,334. As of December 31, 2025, the lease receivable had been received in full. The lessee is required to make annual fixed payments of $ 15,000. The lease has an interest rate of 0.6017%. The value of the deferred inflow of resources as of December 31, 2025 was $ 4,948, and the City recognized lease revenue of $ 13,597 during the fiscal year.

The City entered into a 785-month lease as lessor for the use of the Santa Fe Freight Depot South. An initial lease receivable was recorded in the amount of $ 45,545. As of December 31, 2025, the value of the lease receivable is $ 44,011. The lessee is required to make monthly fixed payments of $ 100. The lease has an interest rate of 1.851%. The value of the deferred inflow of resources as of December 31, 2025 was $ 42,762, and the City recognized lease revenue of $ 696 during the fiscal year.

The City entered into a 159-month lease as lessor for the use of the Kansas Commission on Veterans Affairs Office and Event Center. An initial lease receivable was recorded in the amount of $ 39,076. As of December 31, 2025, the value of the lease receivable is $ 27,512. The lessee is required to make annual fixed payments of $ 3,277. The lease has an interest rate of 1.4123%. The value of the deferred inflow of resources as of December 31, 2025 was $ 27,279, and the City recognized lease revenue of $ 2,949 during the fiscal year. The lessee had a termination period of 3 months as of the lease commencement.

The City entered into a 216-month lease as lessor for the use of the Drivers License Exam Station and Tax-Office. An initial lease receivable was recorded in the amount of $ 321,038. As of December 31, 2025, the value of the lease receivable is $ 258,073. The lessee is required to make quarterly fixed payments of $ 5,014. The lease has an interest rate of 1.5910%. The value of the deferred inflow of resources as of December 31, 2025 was $ 249,696, and the City recognized lease revenue of $ 17,835 during the fiscal year. The lessee has 1 extension option for 60 months. The lessee had a termination period of 2 months as of the lease commencement.

The City entered into a 216-month lease as lessor for the use of the Dept. For Children and Families Office. An initial lease receivable was recorded in the amount of $ 2,254,132. As of December 31, 2025, the value of the lease receivable is $ 1,792,988. The lessee is required to make semi-annual fixed payments of $ 71,685. The lease has an interest rate of 1.5910%. The value of the deferred inflow of resources as of December 31, 2025 was $ 1,753,214, and the City recognized lease revenue of $ 125,230 during the fiscal year. The lessee has 1 extension option for 60 months.

The City entered into a 42-month lease as lessor for the use of 800 River Road. An initial lease receivable was recorded in the amount of $ 26,329. As of December 31, 2025, the lease receivable had been received in full. The lessee is required to make annual fixed payments of $ 8,858. The lease has an interest rate of 0.6017%. The value of the deferred inflow of resources as of December 31, 2025 was $ 0, and the City recognized lease revenue of $ 4,027 during the fiscal year. The lessee has 1 extension option for 24 months.

On January 1, 2023, the City entered into a 300 month lease as lessor for the use of 200 South 10th Street. An initial lease receivable was recorded in the amount of $ 277,891. As of December 31, 2025, the value of the lease receivable is $ 256,641. The lessee is required to make monthly fixed payments of $ 1,477. The lease has an interest rate of 4.099%. The value of the deferred inflow of resources as of December 31, 2025 was $ 244,544, and the City recognized lease revenue of $ 11,116 during the fiscal year. The lessee has 4 extension options, each for 60 months.

6 - Capital Assets

Capital asset activity for the year ended December 31, 2025 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 3,123,254	$ -	$ -	$ 3,123,254
Construction in progress	5,732,507	3,999,017	(258,686)	9,472,838
Total capital assets not being depreciated	8,855,761	3,999,017	(258,686)	12,596,092
Other capital assets:				
Capital assets being depreciated/amortized:				
Buildings and systems	8,853,330	-	-	8,853,330
Improvements	11,321,443	178,442	(126,517)	11,373,368
Machinery and equipment	7,747,149	1,098,204	(466,890)	8,378,463
Infrastructure	38,646,243	1,432,797	-	40,079,040
Leased assets - machinery and equipment	11,196	-	-	11,196
Subscription asset	980,874	8,207	(523,573)	465,508
Total capital assets being depreciated/amortized	67,560,235	2,717,650	(1,116,980)	69,160,905
Less accumulated depreciation/amortization for:				
Buildings and systems	(3,760,513)	(251,662)	-	(4,012,175)
Improvements	(6,721,215)	(451,368)	-	(7,172,583)
Machinery and equipment	(6,194,753)	(647,760)	466,890	(6,375,623)
Infrastructure	(18,447,700)	(752,097)	-	(19,199,797)
Leased assets - machinery and equipment	(4,500)	(2,185)	-	(6,685)
Subscription asset	(256,738)	(85,488)	137,102	(205,124)
Total accumulated depreciation/amortization	(35,385,419)	(2,190,560)	603,992	(36,971,987)
Governmental activities capital assets, net	$ 41,030,577	$ 4,526,107	$ (771,674)	$ 44,785,010

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 101,537	$ -	$ -	$ 101,537
Construction in progress	176,181	427,150	(145,476)	457,855
Total capital assets not being depreciated	277,718	427,150	(145,476)	559,392
Capital assets being depreciated:				
Buildings and systems	62,639,812	1,076,479	-	63,716,291
Machinery and equipment	7,292,467	412,623	(415,285)	7,289,805
Total capital assets being depreciated	69,932,279	1,489,102	(415,285)	71,006,096
Less accumulated depreciation for:				
Buildings and systems	(32,920,946)	(1,681,657)	-	(34,602,603)
Machinery and equipment	(5,301,284)	(427,476)	415,285	(5,313,475)
Total accumulated depreciation	(38,222,230)	(2,109,133)	415,285	(39,916,078)
Total capital assets being depreciated, net	31,710,049	(620,031)	-	31,090,018
Business-type activities capital assets, net	$ 31,987,767	$ (192,881)	$ (145,476)	$ 31,649,410

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 589,263
Public safety	410,284
Public works	1,009,459
Parks and recreation	181,554
Total depreciation and amortization expense - governmental activities	$ 2,190,560
Business-type activities:	
Water	$ 1,341,740
Wastewater	659,213
Refuse	108,180
Total depreciation expense - business-type activities	$ 2,109,133

Discretely Presented Component Unit

Capital asset activity for the Library for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Library:				
Capital assets not being depreciated:				
Land	$ 8,995	$ -	$ -	$ 8,995
Capital assets being depreciated/amortized:				
Buildings and systems	1,422,326	-	-	1,422,326
Books	453,125	40,171	(32,759)	460,537
Machinery and equipment	176,442	-	-	176,442
Subscription asset	328,866	-	(14,567)	314,299
Total capital assets being depreciated/amortized	2,380,759	40,171	(47,326)	2,373,604
Less accumulated depreciation/amortization for:				
Buildings and systems	(683,178)	(37,554)	-	(720,732)
Books	(415,717)	(16,877)	32,759	(399,835)
Machinery and equipment	(157,903)	(608)	-	(158,511)
Subscription asset	(126,393)	(75,768)	14,567	(187,594)
Total accumulated depreciation/amortization	(1,383,191)	(130,807)	47,326	(1,466,672)
Library capital assets, net	$ 1,006,563	$ (90,636)	$ -	$ 915,927

7 - Pension Plan

General Information About the Pension Plan

Description of Pension Plan. The City and the Library participate in a cost-sharing multiple-employer defined benefit pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERS), a body corporate and an instrumentality of the State of Kansas. KPERS provides pension benefits to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
  - State/School employees
  - Local employees
- Police and Firemen
- Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the City and the Library are included in the Local and Police and Firemen employee groups.

KPERS issues a stand-alone annual comprehensive financial report, which is available on the KPERS website at www.kpers.org.

Benefits Provided. Benefits are established by statute and may only be changed by the Kansas Legislature. Member employees (except police and firemen) with ten or more years of credited service may retire as early as age 55 (police and firemen may be age 50 with 20 years of credited service), with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever an employee's combined age and years of credited service equal 85 points (police and firemen normal retirement ages are age 60 with 15 years of credited service, age 55 with 20 years, age 50 with 25 years, or any age with 36 years of service).

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, member employees may withdraw their contributions from their individual accounts, including interest. Member employees who withdraw their accumulated contributions lose all rights and privileges of membership. For all pension coverage groups, the accumulated contributions and interest are deposited into and disbursed from the membership accumulated reserve fund as established by K.S.A. 74-4922.

Member employees choose one of seven payment options for their monthly retirement benefits. At retirement a member employee may receive a lump-sum payment of up to 50% of the actuarial present value of the member employee's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members, and employers. A new KPERS 3 cash balance retirement plan was created for new hires starting January 1, 2015. Normal retirement age for KPERS 3 is 65 with five years of service or 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6.00% of covered salary for KPERS 1, KPERS 2, and KPERS 3 members. K.S.A. 74-4975 establishes the Police and Firemen (KP&F) member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation for each of the three state-wide pension groups. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. KPERS is funded on an actuarial reserve basis.

For KPERS fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the KPERS fiscal year ended June 30, 2025.

The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 9.71% for KPERS and 24.67% for KP&F for the year ended December 31, 2025. Contributions to the Pension Plan from the City were $ 333,404 for KPERS and $ 606,645 for KP&F for the year ended December 31, 2025. Contributions from the Library for KPERS were $ 27,050 for the year ended December 31, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At December 31, 2025, the City reported a liability of $ 2,508,976 for KPERS and $ 4,918,869 for KP&F and the Library reported a liability of $ 185,212 for KPERS for their proportionate share of the KPERS collective net pension liability. The collective net pension liability was measured by KPERS as of June 30, 2025, and the total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of December 31, 2024, which was rolled forward to June 30, 2025.

Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The City's proportion of the collective net pension liability was based on the ratio of the City's actual contributions to KPERS and KP&F, relative to the total employer and nonemployer contributions of the Local group and Police and Firemen group within KPERS for the KPERS fiscal year ended June 30, 2025.

The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2025 the City's proportion for KPERS was 0.125183%, which was a increase of 0.000898% from its proportion measured as of June 30, 2024. At June 30, 2025 the City's proportion for KP&F was 0.303364%, which was a increase of 0.001410% from its proportion measured as of June 30, 2024. At June 30, 2025, the Library's proportion for KPERS was 0.009241%, which was a decrease of 0.001773% from its proportion measured as of June 30, 2024.

For the year ended December 31, 2025, the City recognized pension expense of $ 255,974 for KPERS and $ 636,244 for KP&F, with the aggregate pension expense for both KPERS and KP&F totaling $ 892,218. The Library recognized pension expense of $ 11,099 for KPERS. At December 31, 2025, the City and the Library

reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 901,963	$ -
Net difference between projected and actual earnings on pension plan investments	-	213,950
Change of assumptions	182,368	-
Changes in proportionate share	32,596	515,818
City contributions subsequent to measurement date	463,911	-
Total	$ 1,580,838	$ 729,768

Library

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 23,866	$ -
Net difference between projected and actual earnings on pension plan investments	-	6,361
Change of assumptions	4,578	-
Changes in proportionate share	-	39,480
Library contributions subsequent to measurement date	15,600	-
Total	$ 44,044	$ 45,841

The $ 463,911 and $ 15,600 for the City and the Library, respectively, reported as deferred outflows of resources related to pensions resulting from the City's and Library's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	City
2026	$ 482,751
2027	(44,141)
2028	(57,362)
2029	5,911
	$ 387,159

Year Ended June 30,	Library
2026	$ 7,190
2027	(8,018)
2028	(9,709)
2029	(6,860)
	$ (17,397)

Actuarial assumptions. The total pension liability for KPERS in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Price inflation	2.75 percent
Salary increases, including price inflation	3.50 to 15.50 percent
Long-term rate of return net of investment expense, and including price inflation	7.00 percent
Payroll growth assumption	3.00 percent

Mortality rates were based on the Pub 2010 Mortality Tables with age setbacks and age set forwards based on different membership groups. Future mortality improvements are anticipated using Scale MP-2021.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study conducted for the four-year period ending December 31, 2022. The experience study is dated January 29, 2024.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocations as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equities	43%	8.20%
Private Equity	11%	12.00%
Private Real Estate	15%	5.70%
Yield Driven	12%	5.30%
Infrastructure	3%	6.80%
Fixed Income	13%	2.20%
Cash	3%	0.30%
Total	100%	

Discount rate. The discount rate used by KPERS to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993 and subsequent legislation, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap. The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KPERS. Future employer contribution rates were also modeled for KP&F assuming all actuarial assumptions are met in future years. Employers contribute the full actuarial determined rate for KP&F. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the collective net pension liability to changes in the discount rate. The following presents the City's and the Library's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's KPERS proportionate share of the collective net pension liability	$ 3,702,460	$ 2,508,976	$ 1,506,609
City's KP&F proportionate share of the collective net pension liability	6,767,245	4,918,869	3,370,213
Atchison Public Library's KPERS proportionate share of the collective net pension liability	273,315	185,212	111,218

Pension plan fiduciary net position. Detailed information about the Pension Plan's fiduciary net position is available in the separately issued KPERS financial report.

8 - Other Postemployment Healthcare Benefits

Health Insurance

Plan Description, Benefits Provided, and Contributions. The City provides postemployment health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). The benefits are provided through a single employer defined benefit postemployment healthcare plan administered by the City. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The medical insurance benefit provides the same coverage for retirees and their dependents as for active employees and their dependents. A retiring employee who waives continuing participation in the City's health insurance program at the time of retirement is not eligible to participate at a later date. No assets are

accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a stand-alone financial report.

Kansas statutes, which may be amended by the state legislature, establish that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs at an amount not to exceed 125 percent of the premium cost for other similarly situated employees. The City requires participating retirees to contribute 102 percent of the blended premium cost of active employees to maintain coverage. In 2025, the City contributed $ 33,000 to the plan and participating retirees contributed $ 878.

Employees covered by Benefit Terms. As of the actuarial valuation date of January 1, 2025, the following employees were covered by the benefit terms.

Active employees	101
Retirees	1
Spouses of retirees	1
	103

Total OPEB Liability. The City's total OPEB liability of $ 887,377 was measured as of December 31, 2025 and was determined by an actuarial valuation performed as of January 1, 2025.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	4.42 percent
Mortality table	Society of Actuaries Pub-2016 Public Retirement Plans Headcount-Weighted Mortality Tables using Scale MP-2021 Full Generational Improvement
Salary scale	5 percent per year
Healthcare cost trend rates	
Current rate	6.5 percent
Ultimate rate	4.50 percent
Year ultimate rate is reached	2033
Actuarial cost method	Entry Age Normal - Level Percent-of-Pay

The discount rate was based on the S&P Municipal Bond 20-Year High Grade and the Fidelity GO AA-20 Year indices as of the measurement date.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was changed from 4.22% to 4.42%.
2. The assumed mortality was revised from PUB 2010 to PUB 2016, as published by the Society of Actuaries. The mortality projection scale remains at MP 2021.
3. Project capita costs, retiree contribution premiums and assumed trends were revised. The January 1, 2026 renewal was taken into account. Stop loss premiums increased 46% from 2025 to 2026.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2024	$ 602,815
Changes for the year:	
Service cost	51,505
Interest cost	26,916
Differences between expected and actual experience	111,072
Changes in assumptions and inputs	128,069
Benefit payments	(33,000)
Net changes	284,562
Balance at December 31, 2025	$ 887,377

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.42 percent) or 1-percentage-point higher (5.42 percent) than the current discount rate:

	1% Decrease (3.42%)	Discount Rate (4.42%)	1% Increase (5.42%)
Total OPEB liability	$ 992,985	$ 887,377	$ 792,836

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 756,844	$ 887,377	$ 1,045,693

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025 the City recognized OPEB expense of $ 58,246.

At December 31, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 139,004	$ 197,541
Changes in assumptions and inputs	217,577	283,929
Total	$ 356,581	$ 481,470

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2026	$ (20,175)
2027	(20,175)
2028	(20,175)
2029	(20,175)
2030	(22,738)
2031 and Thereafter	(21,451)
	$ (124,889)

Disability Benefits and Life Insurance

Plan Description, Benefits Provided, and Contributions. The City participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

Employer contributions are established and may be amended by state statute. Members are not required to contribute. Employer contributions paid for benefits as they came due during the fiscal year ended December 31, 2025 totaled $ 4,300.

Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of $ 100 and a maximum of $ 5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the member's previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Employees Covered by Benefit Terms. As of the valuation date of December 31, 2024, the following employees were covered by the benefit terms.

Active members	58
Disabled members	2
	60

Total OPEB Liability. The City's total OPEB liability of $ 58,104 was measured as of June 30, 2025 and was determined by an actuarial valuation performed as of December 31, 2024.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.20 percent
Implicit inflation rate	2.75 percent
Mortality table	Local Males: General Below Median Employees +0 Local Females: General Below Median Employees +1
Salary increases	3.5 percent (composed of 2.75 percent inflation and 0.75 percent productivity)
Payroll growth	3.00 percent near-term growth for cashflow projections.
Actuarial cost method	Entry Age Normal

The discount rate was based on the Bond Buyer General Obligation 20-Year Municipal Bond Index.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study conducted for a four-year period ending December 31, 2022.

Changes and items of impact relative to the prior valuation were as follows.

1. The discount rate was updated in accordance with the requirements of GASB 75.

The overall impact of the new assumptions is a decrease in the benefit obligations.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2023	$ 65,159
Changes for the year:	
Service cost	5,950
Interest	2,711
Effect of economic/demographic gains or losses	(7,863)
Effect of assumptions changes or inputs	(3,553)
Benefit payments	(4,300)
Net changes	(7,055)
Balance at December 31, 2024	$ 58,104

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current discount rate:

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	$ 60,895	$ 58,104	$ 55,338

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following represents the total OPEB liability of the City as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates. Note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this is a required disclosure under GASB 75.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 58,104	$ 58,104	$ 58,104

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the City recognized OPEB expense of $ 79.

At December 31, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 38,378
Changes of assumptions	4,456	16,679
City contributions subsequent to measurement date	15,889	-
Total	$ 20,345	$ 55,057

The $ 15,889 for the City reported as deferred outflows of resources related to OPEB resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability for the year ended December 31, 2026. Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31,	
2026	$ (8,431)
2027	(7,712)
2028	(6,812)
2029	(6,802)
2030	(7,388)
2031 and Thereafter	(13,456)
	$ (50,601)

Aggregate Other Postemployment Healthcare Benefit Information

	Balances at December 31, 2025		
	Health	Disability Benefits and Life Insurance	Total
City:			
Total OPEB liability	$ 887,377	$ 58,104	$ 945,481
Total deferred outflows of resources	356,581	20,345	376,926
Total deferred inflows of resources	(481,470)	(55,057)	(536,527)
Total OPEB expense	58,246	79	58,325

9 - Risk Management

The City is exposed to various risks of loss related to torts; damage to and destruction of assets; business interruptions; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

10 - Commitments and Contingencies

Capital Projects

The City has the following projects in progress at December 31, 2025:

	Costs to Date	Amount Authorized
General government:		
Unity Street Pedestrian Improvements	$ 19,882	$ 814,479
N 5th St Safe Routes	72,360	136,544
Airport Master Plan	55,700	55,700
Runway improvement project	8,026,547	10,173,648
Patriot Street Bridge	91,653	93,000
Aiport environmental assessment	90,429	90,429
Guerrier Hill	24,950	24,950
Apron Expansion	16,395	40,000
Water Mains Replacement	340,782	1,053,370
LFM Park Improvements	734,141	823,780
	$ 9,472,839	$ 13,305,900
Wastewater:		
WWTP Communications	$ 36,129	$ 144,515
15th Street Sewer	29,257	43,044
16th Street Stormwater Improvements	18,411	18,411
South Headworks wet weather pump	155,059	200,000
	$ 238,856	$ 405,970
Water:		
S Tower Booster Pump	$ 136,660	$ 146,860
RWI Pump Rebuilds	13,990	84,467
RWI Elevator	33,865	40,000
RWI Water Screens	34,484	46,073
	$ 218,999	$ 317,400

Litigation

There are a number of claims and/or lawsuits to which the City is a party as a result of the ordinary course of City activities. The City management and legal counsel anticipate that the potential claims against the City not

covered by insurance, if any, resulting from such matters would not materially affect the financial position of the City.

Industrial Revenue Bonds

The City has issued industrial revenue bonds to finance the purchase of land and construction of facilities leased to local businesses. The lease agreements provide for rentals sufficient to service the related bonds. The debt service on these issues is paid solely from lease agreements; these issues do not constitute a debt of the City. The lessees have the option of purchasing the leased properties at any time during the lease periods for amounts sufficient to retire the related outstanding bonds. At the end of the lease periods, which conform to bond maturity schedules, the lessees may either purchase the property for a nominal amount or renew the leases annually at nominal amounts. As of December 31, 2025, industrial revenue bonds of $ 13,520,000 are outstanding.

11 - Long-Term Debt

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds payable at December 31, 2025 are comprised of the following issues:

	Callable Date	Interest Rates	Original Issue	Final Maturity Date	Principal Payments During 2025	Outstanding December 31, 2025
General Obligation Bonds:						
Governmental activities:						
Series 2017-A	9/1/2025	2.00% to 2.70%	$ 1,205,000	2027	$ 125,000	$ 265,000
Series 2019-A	9/1/2026	3.00% to 4.00%	2,780,000	2039	161,600	1,523,400
Series 2020-A	9/1/2027	1.35% to 2.00%	1,250,000	2030	125,000	655,000
Series 2021-A	9/1/2029	1.15% to 2.00%	2,870,000	2034	180,000	1,835,000
Series 2022-A	9/1/2029	2.00% to 3.00%	1,260,000	2037	75,000	1,050,000
Series 2023-A	9/1/2033	3.56%	1,415,000	2033	125,000	1,175,000
					$ 791,600	$ 6,503,400
Business-type activities:						
Series 2019-A	9/1/2026	3.00% to 4.00%	1,780,000	2031	$ 118,400	$ 976,600
Series 2020-B	9/1/2028	1.00% to 2.00%	7,040,000	2035	480,000	4,715,000
Series 2021-A	9/1/2029	1.15% to 2.00%	4,490,000	2040	305,000	3,335,000
					$ 903,400	$ 9,026,600

The installment ranges for the general obligation bonds are the following:

	Installment Range	
	Low	High
General Obligation Bonds:		
Governmental activities:		
Series 2017-A	$ 125,000	$ 135,000
Series 2019-A	28,400	150,000
Series 2020-A	125,000	135,000
Series 2021-A	180,000	215,000
Series 2022-A	75,000	100,000
Series 2023-A	125,000	165,000
Business-type activities:		
Series 2019-A	121,600	185,000
Series 2020-B	165,000	535,000
Series 2021-A	50,000	280,000

The future annual requirements for general obligation bonds outstanding as of December 31, 2025 are as follows:

	Governmental Activities	
	Principal	Interest
2026	$ 790,000	$ 165,950
2027	810,000	144,372
2028	685,000	123,771
2029	705,000	106,487
2030	720,000	88,753
2031-2035	2,385,000	217,795
2036-2040	408,400	27,163
	$ 6,503,400	$ 874,291

	Business-Type Activities	
	Principal	Interest
2026	$ 950,000	$ 151,678
2027	975,000	129,478
2028	990,000	108,328
2029	1,015,000	86,828
2030	1,040,000	69,928
2031-2035	3,351,600	182,088
2036-2040	705,000	40,400
	$ 9,026,600	$ 768,728

Notes Payable – Financed Purchases

The City has entered into various notes payable – financed purchase agreements for the acquisition of equipment. These agreements have been recorded at the present value of their future minimum payments as of the inception date.

The assets acquired through notes payable – financed purchases are as follows:

Asset:	
Hangar building	$ 340,445
Less accumulated depreciation	(104,970)
Net book value	$ 235,475
Freightliners	$ 540,898
Less accumulated depreciation	(260,984)
Net book value	$ 279,914
Dump Trucks	$ 273,668
Less accumulated depreciation	(57,014)
Net book value	$ 216,654
Asphalt paving machines	$ 178,069
Less accumulated depreciation	(103,874)
Net book value	$ 74,195
Fire truck	$ 285,000
Less accumulated depreciation	(133,000)
Net book value	$ 152,000
Freightliner (Jet-Vac)	$ 483,820
Less accumulated depreciation	(88,700)
Net book value	$ 395,120
Spartan pumper fire truck	$ 603,000
Less accumulated depreciation	(50,250)
Net book value	$ 552,750

The following is a schedule of future minimum payments for notes payable – financed purchases as of December 31, 2025:

	Governmental Activities	Business-type Activities
2026	$ 189,266	$ 145,406
2027	136,849	109,566
2028	136,831	109,567
2029	73,202	104,926
2030	73,202	-
2031-2035	366,012	-
	975,362	469,465
Amount representing interest	(159,125)	(56,471)
	$ 816,237	$ 412,994

Lease Obligations Payable

The City, as a lessee, has entered into various lease agreements with companies and organizations in and around the City as summarized below:

On October 25, 2022, the City entered into a 60-month lease as lessee for the use of a Multifunction Printer. An initial lease liability was recorded in the amount of $ 9,542. The City is required to make quarterly fixed payments of $ 517. The lease has an interest rate of 3.4450%. The value of the right to use asset as of December 31, 2025 is $ 9,542 with accumulated amortization of $ 6,076.	$ 3,497
On October 16, 2023, the City entered into a 72 month lease as lessee for the use of USD 409 Tower. An initial lease liability was recorded in the amount of $ 1,654. The City is required to make annual fixed payments of $ 300. The lease has an interest rate of 3.445%. The value of the right to use asset as of December 31, 2025 of $ 1,654 with accumulated amortization of $ 609. The City has 1 extension option for 60 months.	842
Total City lease obligations payable	$ 4,339

The annual debt service requirements to service the outstanding lease obligations payable at December 31, 2025 are as follows:

	Governmental Activities	
	Lease obligations payable	
	Principal	Interest
2026	$ 2,244	$ 124
2027	1,805	46
2028	290	10
	$ 4,339	$ 180

SBITA Liability

The City has entered into various SBITA agreements with companies as summarized below:

The City entered into a 69 month subscription for the use of Adobe software. An initial subscription liability was recorded in the amount of $ 19,835. The City is required to make monthly fixed payments of $ 313. The subscription has an interest rate of 3.004%. The value of the right to use asset as of December 31, 2025 of $ 19,835 with accumulated amortization of $ 10,255. The City has 1 extension option for 60 months.	$ 9,905
The City entered into a 72 month subscription for the use of Disaster Recovery Service. An initial subscription liability was recorded in the amount of $ 46,020. The City is required to make monthly fixed payments of $ 798. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2025 is $ 46,020 with accumulated amortization of $ 23,010. The City has 1 extension option for 60 months.	27,352
On September 1, 2023, the City entered into a 72 month subscription for the use of Backupify Cloud Backup Service. An initial subscription liability was recorded in the amount of $ 44,334. The City is required to make monthly fixed payments of $ 676. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2025 is $ 44,334 with accumulated amortization of $ 17,241. The City has 1 extension option for 60 months.	28,024
On September 1, 2023, the City entered into a 72 month subscription for the use of Domain Management Service. An initial subscription liability was recorded in the amount of $ 283,002. The City is required to make monthly fixed of $ 4,315. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2025 is $ 283,002 with accumulated amortization of $ 110,056. The City has 1 extension option for 60 months.	178,888
On February 15, 2023, the City entered into a 48 month subscription for the use of DebtBook Subscription. An initial subscription liability was recorded in the amount of $ 49,769. The City is required to make annual fixed payments of $ 13,000. The subscription has an interest rate of 3.004%. The value of the right to use asset as of December 31, 2025 is $ 51,769 with accumulated amortization of $ 37,245. The City has 1 extension option for 36 months.	12,621
On March 8, 2023, the City entered into a 72 month subscription for the use of Online Access Subscription. An initial subscription liability was recorded in the amount of $ 4,948. The City is required to make monthly fixed payments of $ 75. The subscription has an interest rate of 3.004%. The value of the right to use asset as of December 31, 2025 is $ 4,948 with accumulated amortization of $ 2,321. The City has 1 extension option for 60 months.	2,715

On November 23, 2023, the City entered into a 72 month subscription for the use of Webcom Resources Platform. An initial subscription liability was recorded in the amount of $ 6,558. The City is required to make annual fixed payments of $ 1,200. The subscription has an interest rate of 3.894%. The value of the right to use asset as of December 31, 2025 is $ 6,558 with accumulated amortization of $ 2,368. The City has 1 extension option for 60 months.	3,337
On March 23, 2023, the City entered into a 72 month subscription for the use of Zoom Software. An initial subscription liability was recorded in the amount of $ 836. The City is required to make annual fixed payments of $ 150. The subscription has an interest rate of 3.004%. The value of the right to use asset as of December 31, 2025 is $ 836 with accumulated amortization of $ 386. The City has 1 extension option for 60 months.	424
The City entered into a 24 month subscription for the use of Architecure Engineering & Construction Service software. An initial subscription liability was recorded in the amount of $ 2,581. The City is required to make monthly fixed payments of $ 1,346. The subscription has an interest rate of 2.847%. The value of the right to use asset as of December 31, 2025 is $ 2,581 with accumulated amortization of $ 1,271. The City has 1 extension option for 60 months.	2,580
The City entered into a 27 month subscription for the use of Traliant software. An initial subscription liability was recorded in the amount of $ 5,626. The City is required to make monthly fixed payments of $ 1,890. The subscription has an interest rate of 2.847%. The value of the right to use asset as of December 31, 2025 is $ 5,626 with accumulated amortization of $ 971. The City has 1 extension option for 60 months.	3,626
Total City SBITA liability	$ 269,472

The Library has entered into various SBITA agreements with companies as summarized below:

On July 1, 2023, the Library entered into a 48 month subscription for the use of WorldShare Service. An initial subscription liability was recorded in the amount of $ 3,387. The Library is required to make annual fixed payments of $ 887. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2025 is $ 3,387 with accumulated amortization of $ 2,117. The Library has 1 extension option for 36 months.	$ 860
On August 1, 2023, the Library entered into a 72 month subscription for the use of EnvisionWare Subscription. An initial subscription liability was recorded in the amount of $ 4,157. The Library is required to make annual fixed payments of $ 749. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2025 is $ 4,157 with accumulated amortization of $ 1,674. The Library has 1 extension option for 60 months.	2,109
On May 5, 2023, the Library entered into a 36 month subscription for the use of Automation Service. An initial subscription liability was recorded in the amount of $ 548. The Library is required to make annual fixed payments of $ 188. The subscription has an interest rate of 2.670%. The value of the right to use asset as of December 31, 2025 is $ 548 with accumulated amortization of $ 485. The Library has 1 extension option for 24 months.	-

On April 1, 2023, the Library entered into a 62 month subscription for the use of Dark Web Monitoring Service. An initial subscription liability was recorded in the amount of $ 223,820. The Library is required to make monthly fixed payments of $ 3,862. The subscription has an interest rate of 2.670%. The value of the right to use asset as of December 31, 2025 is $ 223,820 with accumulated amortization of $ 119,130. The Library has 1 extension option for 60 months.	108,357
On August 1, 2023, the Library entered into a 37 month subscription for the use of Digital Media Service. An initial subscription liability was recorded in the amount of $ 70,936. The Library is required to make monthly fixed payments of $ 2,011. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2025 is $ 70,936 with accumulated amortization of $ 55,598. The Library has 1 extension option for 36 months.	15,895
The Library entered into a 48 month subscription for the use of Overdrive. An initial subscription liability was recorded in the amount of $ 11,451. The Library is required to make annual fixed payments of $ 3,000. The subscription has an interest rate of 3.212%. The value of the right to use asset as of December 31, 2025 is $ 11,451 with accumulated amortization of $ 8,590. The Library has 1 extension option for 36 months.	2,906
Total Library SBITA liability	$ 130,127

The annual debt service requirements to service the outstanding SBITA liabilities at December 31, 2025 are as follows:

	Governmental Activities	
	SBITA Liability	
	Principal	Interest
2026	$ 84,091	$ 7,623
2027	73,784	4,929
2028	71,996	2,542
2029	39,601	477
2030	-	-
	$ 269,472	$ 15,571

	Library	
	SBITA Liability	
	Principal	Interest
2026	$ 64,334	$ 2,738
2027	45,884	1,214
2028	19,909	152
	$ 130,127	$ 4,104

Sales Tax Special Obligation Revenue Bonds

On May 7, 2018, the City issued Taxable STAR Bonds Series 2018 at a principal amount of $ 2,370,000. This series of STAR Bonds was issued to finance the Atchison STAR Bond Project in the STAR Bond District for the construction of two separate shelter structures at the Atchison Farmers' Market, located in the historic downtown area of the STAR Bond District (the Farmers' Market Improvements) and a portion of the costs of the Amelia Earhart Museum to be located at the airport area of the STAR Bond District which is proposed to include the last remaining 1935 Lockheed Electra L-10E aircraft and a unique educational visitor experience that honors the accomplishments of Amelia Earhart (the Museum). The City will own the Farmers' Market Improvements. The Museum land is owned by the City and leased. The balance of the Project, which is not being financed from the Series 2018 Bonds, includes a new approximately 43,000 square foot, 68-room hotel located in the historic downtown area of the STAR Bond District and operated under a franchise flag approved in writing by the City (the Hotel) and a new approximately 2,100 square foot Taco Bell restaurant located in the historic downtown area of the STAR Bond District (the Restaurant). The Farmers Market Improvements, the Museum, the Hotel, and the Restaurant collectively constitute the Project.

Sales tax special obligation revenue bonds (STAR bonds) are authorized to be issued pursuant to K.S.A. 12-17,160, et seq., as amended (the STAR Bond Act). The STAR Bond Act provides a form of tax increment financing that enables the issuance of bonds payable from certain State and local sales and compensating use tax revenues and transient guest tax revenues generated from STAR bond projects constructed within a STAR bond project district. To implement STAR bond financing, a local government must adopt a resolution that specifies a proposed STAR bond project district's boundaries and describes the overall district plan, hold a public hearing on the district and plan, and pass a resolution that establishes the STAR bond project district. Additionally, there may be one or more projects within a STAR bond district.

In connection with the issuance of STAR bonds, the City and the State of Kansas enter into Tax Distribution Agreements. The agreements provide that the principal and interest on the STAR bonds will be paid proportionally by the City and the State of Kansas, based on each entity's respective share of sales taxes generated within the district. The proportional shares may vary by bond issue, as described in the "Tax Distribution Details" in the table below. These proportional shares may change in the future if the sales taxes assessed by the local or state governments are modified.

Issue	District/Project	Original Amount	Tax Distribution Details
2018	Atchison Star Bond Project	$ 2,370,000	Year 1: 68.41% State sales tax revenues/ 10.52% City's share of County sales tax/ 21.07% City's transient guest tax Year 18 estimate: 68.42% State sales tax revenues/ 10.53% City's share of County sales tax/ 21.05% City's transient guest tax

For this bond issue, the City records its proportional share of the outstanding obligation. At December 31, 2025, STAR bonds were paid in full.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 7,295,000	$ -	$ (791,600)	$ 6,503,400	$ 790,000
Plus issuance premiums	80,179	-	(8,295)	71,884	8,295
Sales tax special obligation revenue bonds	270,400	-	(270,400)	-	-
Notes payable - financed purchases - direct borrowing:					
Hangar building	40,226	-	(19,829)	20,397	20,397
Asphalt paving machine	37,528	-	(37,528)	-	-
Dump trucks	344,570	-	(326,973)	17,597	17,597
Fire rescue pumper	228,791	-	(53,548)	175,243	55,918
Spartan pumper fire truck	-	603,000	-	603,000	57,475
Lease obligations payable - direct borrowing	6,507	-	(2,168)	4,339	2,244
SBITA liability - direct borrowing	739,713	8,081	(478,322)	269,472	84,091
Compensated absences	800,118	191,674	(130,934)	860,858	159,870
Net pension liability	6,415,647	28,270	-	6,443,917	-
Total OPEB liability	667,974	277,507	-	945,481	37,300
Governmental activities long-term liabilities	$ 16,926,653	$ 1,108,532	$ (2,119,597)	$ 15,915,588	$ 1,233,187

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 9,930,000	$ -	$ (903,400)	$ 9,026,600	$ 950,000
Plus issuance premiums	123,361	-	(12,198)	111,163	12,197
Notes payable - financed purchases - direct borrowing:					
Freightliners	431,186	-	(409,164)	22,022	22,022
Freightliner Jet-Vac Truck	483,820	-	(92,848)	390,972	92,764
Compensated absences	265,800	20,650	(44,880)	241,570	48,370
Net pension liability	1,037,633	-	(53,705)	983,928	-
Business-type activities long-term liabilities	$ 12,271,800	$ 20,650	$ (1,516,195)	$ 10,776,255	$ 1,125,353
Component unit Library:					
Compensated absences	$ 9,724	$ 11,619	$ (9,004)	$ 12,339	$ 9,571
Net pension liability	233,963	-	(48,751)	185,212	-
SBITA liability - direct borrowing	205,521	-	(75,394)	130,127	64,334
Component unit Library long-term liabilities	$ 449,208	$ 11,619	$ (133,149)	$ 327,678	$ 73,905

For the governmental activities, compensated absences, net pension liability, and the total OPEB liability are generally liquidated by the general fund.

12 - Interfund Transactions

Interfund transfers for the year ended December 31, 2025 consisted of the following:

	Transfers out					
Transfers in	General fund	Capital Projects fund	Nonmajor governmental fund	Water fund	Wastewater fund	Nonmajor enterprise fund
General fund	$ -	$ 50,000	$ -	$ 388,640	$ 718,640	$ 656,075
Capital Projects fund	150,000	-	95,000	1,175,000	-	-
Nonmajor Governmental fund	20,000	-	-	-	-	-
Total	$ 170,000	$ 50,000	$ 95,000	$ 1,563,640	$ 718,640	$ 656,075

Transfers are used to move revenues from the fund that statutes or the budget requires to collect them to the fund that statutes or the budget requires to expend them. Nonroutine transfers include transfers to the capital projects fund to fund capital projects and to the general fund to fund capital projects and from the water fund, wastewater fund, and nonmajor enterprise fund to the general fund for administrative services provided.

Capital asset transfers of $ 1,243,745 occurred from the governmental activities to the business-type activities and are reported within transfers on the statement of activities.

13 - Required Improvements to Sanitary Sewer Collection System

Based upon an administrative order dated January 20, 2004 from the Kansas Department of Health and Environment (KDHE), the City is required to make improvements and replacements to the City's sanitary sewer collection system. Under the terms of the administrative order, a study was performed by an engineer to determine the extent and cost of the repairs. A second administrative order was issued on September 9, 2009 with updated mandates and new deadlines. The City appealed this administrative order and required a hearing which was postponed pending consent agreement negotiations. The negotiations were successful, and the consent agreement was agreed upon in 2011. The consent agreement sets forth timelines for completion of certain updates and repairs to the City's sanitary sewer collection system. The City is also required to provide a plan to raise revenue via residential, industrial, and commercial sewer rate increases, sales tax, stormwater fees, or other means over the next five years to the equivalent of $ 3.1 million annually (after five years) to operate, upgrade, and maintain the current wastewater utility treatment facilities and to complete the mandated projects. The City is required to spend $ 12.4 million over a period of the first zero to five years of the consent agreement. In late 2016, KDHE agreed to amend the consent order and waive the requirement to raise revenues to $ 3.1 million in 2017. They agreed to allow the City to maintain the current rates in return for a commitment from the City to complete certain CSO improvements such as the Dam 6 Separation Program, within specific dates, and update the City's long-term control plan. In May 2019, the City Commission authorized Amendment #2 to the consent agreement with KDHE, extending the project deadlines due to delays. The City updated its Long-Term Control Plan and submitted the plan to KDHE in September 2021, which led to KDHE proposing Amendment #3 to further adjust the deadlines to correspond with those set forth in the updated control plan. Amendment #3 was executed in July 2022.

14 - Commitments and Contingencies – Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for cash expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At December 31, 2025, the City's recorded encumbrances in budgeted governmental funds:

General	$ 167,595

15 - Tax Abatements

The City of Atchison participates in a county-wide property tax abatement program referred to as the Neighborhood Revitalization Plan (NRP). Property tax rebate incentives are based on the incremental increase of qualified improvements over a period ranging from 10 to 15 years, depending upon the level of investment. To continue to receive the rebate of taxes, property owners must pay the property taxes in full and on time. The county treasurer is responsible for issuing the tax rebates to property owners. For the year ended December 31, 2025 a total of $ 205,359 in City taxes was rebated to property owners. During the same period $ 35,497 in Library taxes was rebated.

The City of Atchison enters annexation and incentive agreements with property owners that provide for property tax rebates in exchange for voluntarily allowing the property to be annexed into the City. The rebates begin the year following the receipt of the first tax statement that includes City taxes. Rebates are paid for three years: year one is a 75% rebate of City taxes, year two is 50%, and year three is 25%. Property owners must pay the property taxes in full and on time to remain eligible for the rebates. The City of Atchison is responsible for issuing the rebates in this program. During 2025, no property tax rebates were paid.

16 - Subsequent Events

On April 29, 2026, the City issued $ 1,705,000 in Series 2026-A General Obligation Bonds. Principal maturities ranging from $ 115,000 to $ 215,000 are due through September 1, 2036. The interest rate is 5.00%.

Required Supplementary Information

2025

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Ad valorem taxes	$ 3,425,532	$ 3,026,241	$ (399,291)
Delinquent taxes	35,000	50,383	15,383
Motor vehicle taxes	259,745	292,494	32,749
Vehicle excise taxes	200	291	91
Payments in lieu of taxes	26,000	33,651	7,651
Guest taxes	220,000	299,357	79,357
City sales taxes	2,175,000	2,312,385	137,385
Franchise taxes	1,550,000	1,448,721	(101,279)
Recreational vehicle taxes	2,165	2,443	278
16-20 M truck vehicle taxes	2,178	2,857	679
	7,695,820	7,468,823	(226,997)
Intergovernmental revenues:			
Special highway	105,000	105,477	477
Special liquor	54,945	51,935	(3,010)
Operating grants	8,000	9,580	1,580
	167,945	166,992	(953)
Charges for services	369,627	473,477	103,850
Licenses and permits	59,800	158,779	98,979
Interest on investments	-	265,376	265,376
Fines and fees	143,000	145,937	2,937
Miscellaneous:			
Sales of cemetery lots	5,000	3,733	(1,267)
Other	70,593	-	(70,593)
	75,593	3,733	(71,860)
Total revenues	$ 8,511,785	$ 8,683,117	$ 171,332

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Expenditures:			
General government:			
City manager:			
Personnel services	$ 331,918	$ 319,416	$ 12,502
Contractual services	207,570	122,976	84,594
Materials and supplies	2,150	943	1,207
	541,638	443,335	98,303
Human resources:			
Personnel services	134,834	146,500	(11,666)
Contractual services	72,450	64,259	8,191
Materials and supplies	3,800	4,589	(789)
	211,084	215,348	(4,264)
Finance:			
Personnel services	448,689	415,426	33,263
Contractual services	129,604	178,029	(48,425)
Materials and supplies	5,000	4,668	332
	583,293	598,123	(14,830)
Municipal court:			
Personnel services	41,913	62,743	(20,830)
Contractual services	39,449	42,918	(3,469)
Materials and supplies	500	544	(44)
	81,862	106,205	(24,343)
Building official and buildings and grounds:			
Personnel services	276,915	269,333	7,582
Contractual services	196,500	119,596	76,904
Materials and supplies	2,305	1,330	975
	$ 475,720	$ 390,259	$ 85,461

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
AHCC:			
Contractual services	$ 231,250	$ 163,914	$ 67,336
Materials and supplies	27,000	6,491	20,509
	258,250	170,405	87,845
Other general government:			
Contractual services	590,983	692,423	(101,440)
Contingency	225,000	-	225,000
	815,983	692,423	123,560
Total general government	2,967,830	2,616,098	351,732
Public safety:			
Fire department:			
Personnel services	1,626,127	1,798,853	(172,726)
Contractual services	84,700	75,852	8,848
Materials and supplies	30,000	20,948	9,052
	1,740,827	1,895,653	(154,826)
Police department:			
Personnel services	2,445,228	2,463,374	(18,146)
Contractual services	128,000	66,425	61,575
Materials and supplies	98,131	70,008	28,123
	2,671,359	2,599,807	71,552
Animal control:			
Personnel services	69,194	93,656	(24,462)
Contractual services	31,510	61,341	(29,831)
Materials and supplies	9,481	10,255	(774)
	110,185	165,252	(55,067)
Total public safety	$ 4,522,371	$ 4,660,712	$ (138,341)

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Public works:			
Engineering:			
Personnel services	$ 212,127	$ 101,129	$ 110,998
Contractual services	18,850	75,900	(57,050)
Materials and supplies	150	2,691	(2,541)
	231,127	179,720	51,407
Amelia Earhart Airport:			
Contractual services	67,316	28,332	38,984
Materials and supplies	45,000	2,501	42,499
	112,316	30,833	81,483
Fleet maintenance:			
Personnel services	161,333	135,519	25,814
Contractual services	2,950	1,862	1,088
Materials and supplies	135,200	114,474	20,726
	299,483	251,855	47,628
Facilities:			
Contractual services	146,032	110,555	35,477
Materials and supplies	-	565	(565)
	146,032	111,120	34,912
Public works administration:			
Personnel services	764,922	747,923	16,999
Contractual services	32,400	27,509	4,891
Materials and supplies	392,000	393,355	(1,355)
	1,189,322	1,168,787	20,535
Total public works	$ 1,978,280	$ 1,742,315	$ 235,965

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Parks and recreation:			
Parks:			
Personnel services	$ 432,757	$ 421,093	$ 11,664
Contractual services	150,900	174,906	(24,006)
Materials and supplies	73,500	65,653	7,847
	657,157	661,652	(4,495)
Parks Watershed:			
Personnel services	133,712	80,239	53,473
Contractual services	43,500	45,273	(1,773)
Materials and supplies	40,000	32,339	7,661
	217,212	157,851	59,361
Municipal pool:			
Personnel services	119,223	87,807	31,416
Contractual services	13,000	17,903	(4,903)
Materials and supplies	41,750	43,765	(2,015)
	173,973	149,475	24,498
Oak Hill Cemetery:			
Contractual services	13,500	9,570	3,930
Materials and supplies	1,000	-	1,000
	14,500	9,570	4,930
Total parks and recreation	1,062,842	978,548	84,294
Total expenditures	10,531,323	9,997,673	533,650
Excess (deficiency) of revenues over (under) expenditures	$ (2,019,538)	$ (1,314,556)	$ 704,982

(Continued)

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
(Continued)
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Other financing sources (uses):			
Sale of capital assets	$ 15,000	$ 2,955	$ (12,045)
Insurance proceeds	-	29,347	29,347
Issuance of SBITA liabilities	-	8,081	8,081
Principal paid	-	(164,452)	(164,452)
Interest paid	-	(34,209)	(34,209)
Transfers in	722,714	722,714	-
Transfers out	(342,000)	(342,000)	-
Total other financing sources (uses)	395,714	222,436	(173,278)
Net change in fund balances	(1,623,824)	(1,092,120)	531,704
Fund balances, beginning of year	1,623,824	2,639,763	1,015,939
Fund balances, end of year	$ -	$ 1,547,643	$ 1,547,643

CITY OF ATCHISON, KANSAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

1 - General

All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

2 - Reconciliation

Explanation of differences between budget and GAAP net change in fund balances:

Net change in fund balance - budget	$	(1,092,120)
Net change in fund balance for non-budgeted funds included with the General Fund on GAAP basis financials:		
Insurance reserve		7,910
Municipal equipment reserve		138,606
Law enforcement		1
Façade improvements		4,899
Health insurance fund		52,849
Encumbrances for equipment and supplies ordered but not yet received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes:		
2025 encumbrances		167,595
2024 encumbrances		(61,309)
Net change in fund balance - GAAP	$	(781,569)

CITY OF ATCHISON, KANSAS

Schedule of the Changes in the City's Total OPEB Liability and Related Ratios -

Health Insurance

Last Nine Fiscal Years[1]

	2025	2024	2023	2022
Total OPEB liability:				
Service cost	$ 51,505	$ 52,431	$ 46,816	$ 67,353
Interest	26,916	27,340	26,537	17,700
Change in benefit terms	-	-	-	-
Difference between expected and actual experience	111,072	(23,881)	38,579	(1,483)
Changes in assumptions and inputs	128,069	(77,865)	(6,768)	(271,203)
Benefit payments	(33,000)	(54,845)	(27,124)	(22,130)
Net change in total OPEB liability	284,562	(76,820)	78,040	(209,763)
Total OPEB liability, beginning	602,815	679,635	601,595	811,358
Total OPEB liability, ending	$ 887,377	$ 602,815	$ 679,635	$ 601,595
Covered-employee payroll	$ 5,350,876	$ 5,350,876	$ 4,795,041	$ 4,795,041
City's total OPEB liability as a percentage of covered-employee payroll	16.58%	11.27%	14.17%	12.55%

	2021	2020	2019	2018	2017
Total OPEB liability:					
Service cost	$ 75,862	$ 59,333	$ 45,189	$ 60,539	$ 52,339
Interest	18,739	23,505	26,172	26,908	27,040
Change in benefit terms	-	32,846	-	13,261	-
Difference between expected and actual experience	(111,232)	12,633	(84,767)	(178,623)	-
Changes in assumptions and inputs	(29,429)	71,469	103,136	(2,647)	41,801
Benefit payments	(45,604)	(41,880)	(21,244)	(25,500)	(10,621)
Net change in total OPEB liability	(91,664)	157,906	68,486	(106,062)	110,559
Total OPEB liability, beginning	903,022	745,116	676,630	782,692	672,133
Total OPEB liability, ending	$ 811,358	$ 903,022	$ 745,116	$ 676,630	$ 782,692
Covered-employee payroll	$ 4,593,362	$ 4,616,086	$ 4,616,086	$ 4,039,623	$ 4,039,623
City's total OPEB liability as a percentage of covered-employee payroll	17.66%	19.56%	16.14%	16.75%	19.38%

[1]GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017. Therefore, 10 years of data is unavailable.

Note: No assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

CITY OF ATCHISON, KANSAS
Schedule of the Changes in the City's Total OPEB Liability and Related Ratios -
Disability Benefits and Life Insurance
Last Nine Fiscal Years[1]

	2025	2024	2023	2022
Total OPEB liability				
Service cost	$ 5,950	$ 6,195	$ 6,537	$ 12,253
Interest on total OPEB liability	2,711	2,583	2,699	2,535
Effect of economic/demographic gains or losses	(7,863)	(6,230)	(9,700)	(24,940)
Effect of assumptions changes or inputs	(3,553)	206	(375)	(20,910)
Benefit payments	(4,300)	(4,300)	(4,300)	(4,300)
Net change in total OPEB liability	(7,055)	(1,546)	(5,139)	(35,362)
Total OPEB liability, beginning	65,159	66,705	71,844	107,206
Total OPEB liability, ending	$ 58,104	$ 65,159	$ 66,705	$ 71,844
Covered-employee payroll	$ 2,807,825	$ 2,471,203	$ 2,494,815	$ 2,582,821
City's total OPEB liability as a percentage of covered-employee payroll	2.07%	2.64%	2.67%	2.78%

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	$ 11,008	$ 9,527	$ 8,336	$ 8,274	$ 8,519
Interest on total OPEB liability	2,389	3,209	3,262	3,197	2,541
Effect of economic/demographic gains or losses	(1,400)	(2,646)	(3,044)	(10,577)	-
Effect of assumptions changes or inputs	283	9,127	1,993	(1,688)	(4,599)
Benefit payments	(4,300)	(4,300)	(4,300)	(4,300)	(7,805)
Net change in total OPEB liability	7,980	14,917	6,247	(5,094)	(1,344)
Total OPEB liability, beginning	99,226	84,309	78,062	83,156	84,500
Total OPEB liability, ending	$ 107,206	$ 99,226	$ 84,309	$ 78,062	$ 83,156
Covered-employee payroll	$ 2,814,335	$ 2,573,667	$ 2,520,302	$ 2,333,844	$ 2,243,841
City's total OPEB liability as a percentage of covered-employee payroll	3.81%	3.86%	3.35%	3.34%	3.71%

[1]GASB 75 requires presentation of 10 years. Data was not available prior to fiscal year 2017. Therefore, 10 years of data is unavailable.

Note: No assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

CITY OF ATCHISON, KANSAS
Schedule of the City's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
City's proportion of the collective net pension liability:					
KPERS	0.125183%	0.124285%	0.130296%	0.150779%	0.150013%
KP&F	0.303364%	0.301954%	0.329822%	0.359305%	0.358133%
City's proportionate share of the collective net pension liability	$ 7,427,845	$ 7,453,280	$ 8,001,586	$ 8,179,564	$ 5,217,554
City's covered payroll	$ 5,574,089	$ 5,640,509	$ 4,951,977	$ 4,875,954	$ 5,050,544
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	133%	132%	162%	168%	103%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	72.75%	70.70%	69.75%	76.40%

	2020	2019	2018	2017	2016
City's proportion of the collective net pension liability:					
KPERS	0.155893%	0.149352%	0.139132%	0.144451%	0.115515%
KP&F	0.362262%	0.370808%	0.371516%	0.368159%	0.444896%
City's proportionate share of the collective net pension liability	$ 7,169,831	$ 5,840,026	$ 5,513,940	$ 5,544,868	$ 5,919,082
City's covered payroll	$ 4,870,229	$ 4,664,592	$ 4,393,383	$ 4,408,474	$ 4,344,866
City's proportionate share of the collective net pension liability as a percentage of its covered payroll	147%	125%	126%	126%	136%
Plan fiduciary net position as a percentage of the total pension liability	66.30%	69.88%	68.88%	67.12%	65.10%

CITY OF ATCHISON, KANSAS
ATCHISON PUBLIC LIBRARY
Schedule of the Library's Proportionate Share of the Collective Net Pension Liability
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Library's proportion of the collective net pension liability:					
KPERS Atchison Public Library	0.009241%	0.011014%	0.012221%	0.012719%	0.012924%
Library's proportionate share of the collective net pension liability	$ 185,212	$ 233,963	$ 256,385	$ 252,859	$ 155,082
Library's covered payroll	$ 226,178	$ 254,217	$ 265,130	$ 255,632	$ 253,765
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	82%	92%	97%	99%	61%
Plan fiduciary net position as a percentage of the total pension liability	75.26%	72.75%	70.70%	69.75%	76.40%

	2020	2019	2018	2017	2016
Library's proportion of the collective net pension liability:					
KPERS Atchison Public Library	0.013595%	0.014471%	0.014206%	0.013675%	0.014563%
Library's proportionate share of the collective net pension liability	$ 235,690	$ 202,214	$ 198,002	$ 198,076	$ 225,294
Library's covered payroll	$ 256,529	$ 306,778	$ 277,389	$ 242,343	$ 249,780
Library's proportionate share of the collective net pension liability as a percentage of its covered payroll	92%	66%	71%	82%	90%
Plan fiduciary net position as a percentage of the total pension liability	66.30%	69.88%	68.88%	67.12%	65.10%

CITY OF ATCHISON, KANSAS
Schedule of the City's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Contractually required contribution	$ 920,127	$ 796,433	$ 747,730	$ 745,655	$ 721,861
Contributions in relation to the contractually required contribution	940,049	795,708	747,730	745,823	721,770
Contribution excess (deficiency)	$ 19,922	$ (725)	$ -	$ 168	$ (91)
City's covered payroll	$ 5,574,089	$ 4,981,200	$ 4,881,818	$ 4,847,355	$ 4,803,268
Contributions as a percentage of covered payroll	16.51%	15.99%	15.32%	15.38%	15.03%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 739,515	$ 693,056	$ 590,984	$ 560,943	$ 619,278
Contributions in relation to the contractually required contribution	739,610	693,056	590,984	560,943	619,278
Contribution excess (deficiency)	$ 95	$ -	$ -	$ -	$ -
City's covered payroll	$ 4,997,416	$ 4,803,389	$ 4,398,583	$ 4,290,448	$ 4,410,377
Contributions as a percentage of covered payroll	14.80%	14.43%	13.44%	13.07%	14.04%

CITY OF ATCHISON, KANSAS
ATCHISON PUBLIC LIBRARY
Schedule of the Library's Contributions
Kansas Public Employees Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Contractually required contribution	$ 27,050	$ 22,097	$ 21,473	$ 23,338	$ 22,659
Contributions in relation to the contractually required contribution	27,050	22,097	21,473	23,338	22,659
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 278,583	$ 238,627	$ 254,727	$ 262,225	$ 255,459
Contributions as a percentage of covered payroll	9.71%	9.26%	8.43%	8.90%	8.87%

	2020	2019	2018	2017	2016
Contractually required contribution	$ 21,370	$ 24,460	$ 22,859	$ 20,483	$ 23,076
Contributions in relation to the contractually required contribution	21,370	24,460	22,859	20,483	23,076
Contribution deficiency	$ -	$ -	$ -	$ -	$ -
Library's covered payroll	$ 248,196	$ 275,134	$ 272,452	$ 242,118	$ 251,371
Contributions as a percentage of covered payroll	8.61%	8.89%	8.39%	8.46%	9.18%

Other Supplementary Information

2025

CITY OF ATCHISON, KANSAS
COMBINING BALANCE SHEET
GENERAL FUND
December 31, 2025

	General	Insurance Reserve	Municipal Equipment Reserve	Law Enforcement	Façade Improvements	Health Insurance Fund	Eliminations	Total General Fund
Assets:								
Cash and cash equivalents	$ 1,513,417	$ 68,303	$ 911,887	$ 26,781	$ 137,571	$ 684,543	$ -	$ 3,342,502
Receivables (net of allowances for uncollectibles):								
Taxes	4,504,219	-	-	-	-	-	-	4,504,219
Accounts	63,061	-	-	-	-	-	-	63,061
Interest	71,590	-	-	-	-	-	-	71,590
Loans	-	-	-	-	10,757	-	-	10,757
Leases	2,379,225	-	-	-	-	-	-	2,379,225
Due from other funds	-	-	682	-	-	-	(682)	-
Total assets	$ 8,531,512	$ 68,303	$ 912,569	$ 26,781	$ 148,328	$ 684,543	$ (682)	$ 10,371,354
Liabilities, deferred inflows of resources, and fund balances:								
Liabilities:								
Accounts payable	$ 336,377	$ -	$ -	$ -	$ -	$ 18,520	$ -	$ 354,897
Accrued payroll	206,335	-	-	-	-	-	-	206,335
Estimated insurance claims	-	-	-	-	-	200,007	-	200,007
Due to other funds	682	-	-	-	-	-	(682)	-
Total liabilities	543,394	-	-	-	-	218,527	(682)	761,239
Deferred inflows of resources:								
Deferred inflows - property taxes	3,950,437	-	-	-	-	-	-	3,950,437
Deferred inflows - leases	2,322,443	-	-	-	-	-	-	2,322,443
Total deferred inflows of resources	6,272,880	-	-	-	-	-	-	6,272,880
Fund balances:								
Assigned	167,595	68,303	912,569	26,781	148,328	466,016	-	1,789,592
Unassigned	1,547,643	-	-	-	-	-	-	1,547,643
Total fund balances	1,715,238	68,303	912,569	26,781	148,328	466,016	-	3,337,235
Total liabilities, deferred inflows of resources, and fund balances	$ 8,531,512	$ 68,303	$ 912,569	$ 26,781	$ 148,328	$ 684,543	$ (682)	$ 10,371,354

CITY OF ATCHISON, KANSAS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GENERAL FUND
Year Ended December 31, 2025

	General	Insurance Reserve	Municipal Equipment Reserve	Law Enforcement	Façade Improvements	Health Insurance Fund	Eliminations	Total General Fund
Revenues:								
Taxes:								
Property	$ 3,374,709	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,374,709
Sales	2,312,385	-	-	-	-	-	-	2,312,385
Franchise	1,448,721	-	-	-	-	-	-	1,448,721
Transient guest	299,357	-	-	-	-	-	-	299,357
Payments in lieu of taxes	33,651	-	-	-	-	-	-	33,651
Intergovernmental	166,992	-	13,960	-	-	-	-	180,952
Licenses and permits	158,779	-	-	-	-	-	-	158,779
Charges for services	473,477	-	-	-	-	-	-	473,477
Fines and fees	145,937	-	-	-	-	-	-	145,937
Interest on investments	265,376	2,491	-	1,090	4,899	-	-	273,856
Other	3,733	-	-	-	-	52,849	-	56,582
Total revenues	8,683,117	2,491	13,960	1,090	4,899	52,849	-	8,758,406
Expenditures:								
Current:								
General government	2,634,175	34,660	-	-	-	-	-	2,668,835
Public works	1,631,529	-	-	-	-	-	-	1,631,529
Public safety	4,654,948	-	-	1,089	-	-	-	4,656,037
Parks and recreation	962,529	-	-	-	-	-	-	962,529
Debt service:								
Principal	164,452	-	418,049	-	-	-	-	582,501
Interest and fiscal charges	34,209	-	36,487	-	-	-	-	70,696
Capital outlay	8,206	-	1,347,799	-	-	-	-	1,356,005
Total expenditures	10,090,048	34,660	1,802,335	1,089	-	-	-	11,928,132
Excess (deficiency) of revenues over expenditures	(1,406,931)	(32,169)	(1,788,375)	1	4,899	52,849	-	(3,169,726)
Other financing sources (uses):								
Sale of capital assets	2,955	-	71,340	-	-	-	-	74,295
Issuance of financed purchase	-	-	603,000	-	-	-	-	603,000
Issuance of SBITA liabilities	8,081	-	-	-	-	-	-	8,081
Insurance recoveries	29,347	30,079	-	-	-	-	-	59,426
Transfers in	722,714	10,000	1,252,641	-	-	-	(172,000)	1,813,355
Transfers out	(342,000)	-	-	-	-	-	172,000	(170,000)
Total other financing sources (uses)	421,097	40,079	1,926,981	-	-	-	-	2,388,157
Net change in fund balances	(985,834)	7,910	138,606	1	4,899	52,849	-	(781,569)
Fund balances, beginning of year	2,701,072	60,393	773,963	26,780	143,429	413,167	-	4,118,804
Fund balances, end of year	$ 1,715,238	$ 68,303	$ 912,569	$ 26,781	$ 148,328	$ 466,016	$ -	$ 3,337,235

CITY OF ATCHISON, KANSAS
NONMAJOR GOVERNMENTAL FUNDS
Special Revenue Funds

Special Alcohol - to account for revenues and expenditures for the prevention of drug and alcohol abuse.

Special Parks and Recreation - to account for revenues and expenditures for the upkeep and upgrade of existing parks and recreation facilities.

Motor Fuel - to account for the City's highway aid payments distributed from the State.

DARE - to account for funds donated that will be used specifically for DARE activities in the Police Department.

Land Bank - to account for acquisition of tax-delinquent property and hold it for sale to developers who could redevelop it.

CITY OF ATCHISON, KANSAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue					
	Special Alcohol	Special Parks and Recreation	Motor Fuel	DARE	Land Bank	Total Nonmajor Governmental Funds
Assets:						
Cash and cash equivalents	$ 95,210	$ 119,222	$ 267,463	$ 30,926	$ 328,706	$ 841,527
Liabilities and fund balances:						
Liabilities:						
Accounts payable	$ 386	$ -	$ 15,399	$ -	$ 46	$ 15,831
Fund balances:						
Restricted:						
Substance abuse prevention and emergency shelter	94,824	-	-	-	-	94,824
Capital projects and maintenance	-	-	252,064	-	-	252,064
Parks and recreation facilities	-	119,222	-	-	-	119,222
Acquisition and re-development of property	-	-	-	-	328,660	328,660
Assigned	-	-	-	30,926	-	30,926
Total fund balances	94,824	119,222	252,064	30,926	328,660	825,696
Total liabilities and fund balances	$ 95,210	$ 119,222	$ 267,463	$ 30,926	$ 328,706	$ 841,527

CITY OF ATCHISON, KANSAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	Special Revenue					
	Special Alcohol	Special Parks and Recreation	Motor Fuel	DARE	Land Bank	Total Nonmajor Governmental Funds
Revenues:						
Intergovernmental	$ 51,935	$ 51,935	$ 290,722	$ -	$ -	$ 394,592
Interest on investments	-	3,982	9,209	1,197	850	15,238
Other	-	-	-	1,000	4,100	5,100
Total revenues	51,935	55,917	299,931	2,197	4,950	414,930
Expenditures:						
Current:						
General government	37,565	-	184,435	584	526	223,110
Parks and recreation	-	12,851	-	-	-	12,851
Total expenditures	37,565	12,851	184,435	584	526	235,961
Excess of revenues over expenditures	14,370	43,066	115,496	1,613	4,424	178,969
Other financing sources (uses):						
Transfers in	-	-	-	-	20,000	20,000
Transfers out	-	(20,000)	(75,000)	-	-	(95,000)
Total other financing sources (uses)	-	(20,000)	(75,000)	-	20,000	(75,000)
Net change in fund balances	14,370	23,066	40,496	1,613	24,424	103,969
Fund balances, beginning of year	80,454	96,156	211,568	29,313	304,236	721,727
Fund balances, end of year	$ 94,824	$ 119,222	$ 252,064	$ 30,926	$ 328,660	$ 825,696

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SPECIAL ALCOHOL FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 54,945	$ 51,935	$ (3,010)
Expenditures:			
Contractual services	37,930	37,565	365
Net change in fund balances	17,015	14,370	(2,645)
Fund balances, beginning of year	66,866	80,454	13,588
Fund balances, end of year	$ 83,881	$ 94,824	$ 10,943

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SPECIAL PARKS AND RECREATION FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 54,945	$ 51,935	$ (3,010)
Interest on investments	-	3,982	3,982
Total revenues	54,945	55,917	972
Expenditures:			
Contractual services	15,200	12,851	2,349
Excess of revenues over expenditures	39,745	43,066	3,321
Other financing uses:			
Transfers out	(20,000)	(20,000)	-
Net change in fund balances	19,745	23,066	3,321
Fund balances, beginning of year	82,696	96,156	13,460
Fund balances, end of year	$ 102,441	$ 119,222	$ 16,781

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
MOTOR FUEL FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Intergovernmental	$ 283,460	$ 290,722	$ 7,262
Interest on investments	-	9,209	9,209
Total revenues	283,460	299,931	16,471
Expenditures:			
Contractual services	208,000	184,435	23,565
Excess of revenues over expenditures	75,460	115,496	40,036
Other financing uses:			
Transfers out	(75,000)	(75,000)	-
Net change in fund balances	460	40,496	40,036
Fund balance, beginning of year	185,429	211,568	26,139
Fund balance, end of year	$ 185,889	$ 252,064	$ 66,175

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
LAND BANK FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Other	$ 1,110	$ 4,100	$ 2,990
Interest on investments	-	850	850
Total revenues	1,110	4,950	3,840
Expenditures:			
Contractual services	14,500	526	13,974
Material and supplies	500	-	500
Miscellaneous	500	-	500
Total expenditures	15,500	526	14,974
Excess (deficiency) of revenues over (under) expenditures	(14,390)	4,424	18,814
Other financing sources:			
Transfers in	20,000	20,000	-
Net change in fund balances	5,610	24,424	18,814
Fund balances, beginning of year	182,391	304,236	121,845
Fund balances, end of year	$ 188,001	$ 328,660	$ 140,659

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues:			
Taxes:			
Ad valorem tax	$ 681,159	$ 681,177	$ 18
Recreational vehicle tax	479	541	62
16-20M vehicle tax	482	667	185
Motor vehicle tax	57,535	64,787	7,252
Vehicle excise tax	15	64	49
Total taxes	739,670	747,236	7,566
Special assessments	102,612	103,627	1,015
Interest on investments	-	18,675	18,675
Total revenues	842,282	869,538	27,256
Expenditures:			
Principal	680,000	731,600	(51,600)
Interest	159,076	164,014	(4,938)
Special assessments	102,488	-	102,488
Miscellaneous expense	1,000	-	1,000
Total expenditures	942,564	895,614	46,950
Net change in fund balances	(100,282)	(26,076)	74,206
Fund balances, beginning of year	142,652	188,198	45,546
Fund balances, end of year	$ 42,370	$ 162,122	$ 119,752

CITY OF ATCHISON, KANSAS
FIDUCIARY FUNDS
Custodial Funds

Amelia Earhart Festival – accounts for activities for the weeklong celebration of the life of Amelia Earhart. Events include live entertainment, food, arts & crafts, fireworks, and an award celebration.

Santa Fe Depot Enhancement – accounts for capital improvements to the historic Santa Fe Depot building.

Veteran's Memorial Park – accounts for funds contributed to maintain the veterans pavilion within the riverfront park.

CITY OF ATCHISON, KANSAS
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2025

	Custodial			
	Amelia Earhart Festival	Santa Fe Depot Enhancement	Veteran's Memorial Park	Totals
Assets:				
Cash and cash equivalents	$ 73,389	$ 33,836	$ 1,436	$ 108,661
Liabilities:				
Due to others	$ 5,012	$ -	$ -	$ 5,012
Net Position:				
Restricted for:				
Individuals, organizations, and other governments	68,377	33,836	1,436	103,649
Total liabilities and net position	$ 73,389	$ 33,836	$ 1,436	$ 108,661

CITY OF ATCHISON, KANSAS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended December 31, 2025

	Custodial			
	Amelia Earhart Festival	Santa Fe Depot Enhancement	Veteran's Memorial Park	Totals
Additions:				
Charges for service	$ 56,499	$ -	$ -	$ 56,499
Contributions	249,914	-	-	249,914
Interest on investments	3,272	1,489	54	4,815
Total additions	309,685	1,489	54	311,228
Deductions:				
Payments to others	211,003	-	-	211,003
Administrative	49,130	-	-	49,130
Miscellaneous	14,861	18,146	-	33,007
Total deductions	274,994	18,146	-	293,140
Net change in net position	34,691	(16,657)	54	18,088
Net position, beginning of year	33,686	50,493	1,382	85,561
Net position, end of year	$ 68,377	$ 33,836	$ 1,436	$ 103,649

CITY OF ATCHISON, KANSAS
BALANCE SHEET
DISCRETELY PRESENTED COMPONENT UNIT
PUBLIC LIBRARY
December 31, 2025

Assets:		
Cash	$	630,300
Investments		95,009
Taxes receivable		727,046
Total assets	$	1,452,355
Liabilities, deferred inflows of resources and fund balances:		
Liabilities:		
Accrued payroll	$	2,215
Deferred inflows of resources:		
Deferred inflow - property taxes		727,046
Fund balances:		
Restricted:		
Building improvements		6,118
Reading programs		18,771
Books		7,330
Assigned		690,875
Total fund balances		723,094
Total deferred inflows of resources, and fund balances	$	1,452,355

CITY OF ATCHISON, KANSAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNIT
PUBLIC LIBRARY
Year Ended December 31, 2025

Revenues:		
Taxes	$	707,072
Charges for services		19,590
Grants and contributions		123,086
Investment income		26,607
Other		6,896
Total revenues		883,251
Expenditures:		
Current:		
Education		772,788
Excess of revenues over expenditures		110,463
Fund balances, beginning of year		612,631
Fund balances, end of year	$	723,094

Statistical Section

2025

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 98

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, water/wastewater charges for services, as well as its property tax. 104

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 114

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 117

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 119

CITY OF ATCHISON, KANSAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	$ 16,836,454	$ 17,551,340	$ 18,927,532	$ 20,329,321	$ 20,448,417
Restricted	122,116	164,562	314,664	550,630	611,918
Unrestricted	(416,223)	23,074	(1,018,064)	(1,654,526)	(671,379)
Total governmental activities net position	$ 16,542,347	$ 17,738,976	$ 18,224,132	$ 19,225,425	$ 20,388,956
Business-type activities					
Net investment in capital assets	$ 15,200,765	$ 19,304,454	$ 20,693,940	$ 21,181,158	$ 20,375,480
Unrestricted	5,701,739	5,430,455	5,185,424	5,043,418	6,936,498
Total business-type activities net position	$ 20,902,504	$ 24,734,909	$ 25,879,364	$ 26,224,576	$ 27,311,978
Primary Government					
Net investment in capital assets	$ 32,037,219	$ 36,855,794	$ 39,621,472	$ 41,510,479	$ 40,823,897
Restricted	122,116	164,562	314,664	550,630	611,918
Unrestricted	5,285,516	5,453,529	4,167,360	3,388,892	6,265,119
Total primary government net position	$ 37,444,851	$ 42,473,885	$ 44,103,496	$ 45,450,001	$ 47,700,934

	2021	2022	2023	2024	2025
Governmental activities					
Net investment in capital assets	$ 23,250,701	$ 24,972,948	$ 27,137,458	$ 31,987,663	$ 37,119,678
Restricted	1,447,179	2,905,693	1,595,864	1,750,003	1,731,505
Unrestricted	(885,439)	439,529	948,746	377,578	(1,264,688)
Total governmental activities net position	$ 23,812,441	$ 28,318,170	$ 29,682,068	$ 34,115,244	$ 37,586,495
Business-type activities					
Net investment in capital assets	$ 20,224,827	$ 20,385,316	$ 20,679,162	$ 21,019,400	$ 22,098,653
Unrestricted	7,810,232	7,818,856	7,288,714	7,225,879	6,638,655
Total business-type activities net position	$ 28,035,059	$ 28,204,172	$ 27,967,876	$ 28,245,279	$ 28,737,308
Primary Government					
Net investment in capital assets	$ 43,475,528	$ 45,358,264	$ 47,816,620	$ 53,007,063	$ 59,218,331
Restricted	1,447,179	2,905,693	1,595,864	1,750,003	1,731,505
Unrestricted	6,924,793	8,258,385	8,237,460	7,603,457	5,373,967
Total primary government net position	$ 51,847,500	$ 56,522,342	$ 57,649,944	$ 62,360,523	$ 66,323,803

In 2020 the Watershed District was dissolved and it became a part of the City's Parks department.

CITY OF ATCHISON, KANSAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2016	2017	2018	2019	2020
Expenses					
Governmental Activities:					
General Government	$ 2,960,219	$ 3,333,475	$ 4,067,806	$ 3,856,727	$ 3,362,531
Public Safety	3,466,334	3,321,488	3,607,731	3,867,283	4,053,961
Public Works	1,931,845	1,972,702	1,873,168	1,959,836	2,080,994
Parks and Recreation	352,838	377,475	697,459	761,558	684,490
Interest on long-term debt	182,710	213,234	269,729	155,822	278,475
Total governmental activities expenses	8,893,946	9,218,374	10,515,893	10,601,226	10,460,451
Business-type activities:					
Water/Wastewater	2,832,061	3,105,512	3,246,144	3,497,803	3,448,341
Wastewater	1,808,674	1,908,248	2,062,169	2,214,116	2,157,463
Refuse	927,392	941,619	994,968	1,012,046	948,025
Total business-type activities	5,568,127	5,955,379	6,303,281	6,723,965	6,553,829
Total primary government expenses	$ 14,462,073	$ 15,173,753	$ 16,819,174	$ 17,325,191	$ 17,014,280
Program Revenues					
Governmental Activities:					
Charges for services:					
General Government	$ 477,994	$ 358,322	$ 355,404	$ 599,946	$ 373,913
Public Safety	70,453	119,177	71,745	127,328	97,249
Public Works	349,890	357,143	361,342	368,541	156,108
Operating grants and contributions	492,067	947,573	957,462	704,764	847,596
Capital grants and contributions	223,423	722,660	1,033,570	742,314	1,289,438
Total governmental activities programs revenues	1,613,827	2,504,875	2,779,523	2,542,893	2,764,304
Business-type activities:					
Charges for services:					
Water/Wastewater	4,244,775	4,206,276	4,334,769	4,474,009	4,621,486
Wastewater	2,694,359	2,640,177	2,731,147	2,785,252	2,715,432
Refuse	3,897	8,237	9,223	11,525	14,270
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	8,360	2,725,030	-	-	-
Total business-type activities program revenues	6,951,391	9,579,720	7,075,139	7,270,786	7,351,188
Total primary government program revenues	$ 8,565,218	$ 12,084,595	$ 9,854,662	$ 9,813,679	$ 10,115,492
Net (Expense)/Revenue					
Governmental activities	$ (7,280,119)	$ (6,713,499)	$ (7,736,370)	$ (8,058,333)	$ (7,696,147)
Business-type activities	1,383,264	3,624,341	771,858	546,821	797,359
Total primary government net expense	$ (5,896,855)	$ (3,089,158)	$ (6,964,512)	$ (7,511,512)	$ (6,898,788)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 3,331,078	$ 3,470,664	$ 3,791,093	$ 3,927,589	$ 4,022,258
Sales taxes	1,646,986	1,738,735	1,775,424	1,892,867	2,154,534
Franchise taxes	1,336,005	1,363,115	1,448,526	1,431,831	1,334,617
Guest taxes	127,418	150,034	168,245	201,152	162,587
Payments in lieu of taxes	25,477	23,189	24,307	23,892	27,384
Special assessments	-	-	-	-	-
Unrestricted investment earnings	28,323	69,814	128,680	116,650	20,780
Gain on disposal of asset	97,142	79,454	23,137	28,330	28,090
Miscellaneous revenue	-	-	-	-	-
Transfers	981,827	923,782	818,720	1,437,315	1,109,428
Total governmental activities	7,574,256	7,818,787	8,178,132	9,059,626	8,859,678
Business-type activities:					
Sales taxes	964,161	1,057,363	1,056,145	1,108,951	1,380,591
Unrestricted investment earnings	26,823	59,758	116,372	92,828	15,580
Insurance recoveries	-	8,325	-	-	-
Gain on disposal of asset	-	6,400	18,800	33,927	3,300
Miscellaneous revenue	-	-	-	-	-
Transfers	(981,827)	(923,782)	(818,720)	(1,437,315)	(1,109,428)
Total business-type activities	9,157	208,064	372,597	(201,609)	290,043
Total primary government	$ 7,583,413	$ 8,026,851	$ 8,550,729	$ 8,858,017	$ 9,149,721
Change in Net Position					
Governmental activities	$ 294,137	$ 1,105,288	$ 441,762	$ 1,001,293	$ 1,163,531
Business-type activities	1,392,421	3,832,405	1,144,455	345,212	1,087,402
Total primary government	$ 1,686,558	$ 4,937,693	$ 1,586,217	$ 1,346,505	$ 2,250,933

(Continued)

CITY OF ATCHISON, KANSAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Continued)

	2021	2022	2023	2024	2025
Expenses					
Governmental Activities:					
General Government	$ 3,673,249	$ 3,944,238	$ 4,031,766	$ 4,694,898	$ 3,999,973
Public Safety	3,846,626	4,216,301	4,840,705	4,265,740	4,807,188
Public Works	2,145,577	2,317,454	2,582,076	2,678,394	2,699,792
Parks and Recreation	802,623	863,203	877,018	933,321	1,156,934
Interest on long-term debt	228,798	214,712	378,151	428,861	305,217
Total governmental activities expenses	10,696,873	11,555,908	12,709,716	13,001,214	12,969,104
Business-type activities:					
Water/Wastewater	3,380,518	3,511,751	3,703,865	3,667,069	4,002,703
Wastewater	2,349,352	2,365,551	2,330,845	2,413,417	2,318,057
Refuse	996,169	597,171	547,516	586,303	709,958
Total business-type activities	6,726,039	6,474,473	6,582,226	6,666,789	7,030,718
Total primary government expenses	$ 17,422,912	$ 18,030,381	$ 19,291,942	$ 19,668,003	$ 19,999,822
Program Revenues					
Governmental Activities:					
Charges for services:					
General Government	$ 666,829	$ 650,781	$ 636,869	$ 673,264	$ 714,616
Public Safety	97,398	98,387	98,841	92,439	75,768
Public Works	272,992	143,642	240,025	362,054	150,287
Operating grants and contributions	1,586,811	2,474,942	1,341,044	1,510,082	996,206
Capital grants and contributions	2,247,925	2,105,118	2,251,174	5,012,616	4,052,587
Total governmental activities programs revenues	4,871,955	5,472,870	4,567,953	7,650,455	5,989,464
Business-type activities:					
Charges for services:					
Water/Wastewater	4,602,319	4,835,072	4,778,790	4,840,561	5,138,895
Wastewater	2,827,590	2,828,344	2,806,531	2,910,133	2,972,856
Refuse	16,643	20,073	748,083	827,154	839,995
Operating grants and contributions	-	-	50,000	-	-
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	7,446,552	7,683,489	8,383,404	8,577,848	8,951,746
Total primary government program revenues	$ 12,318,507	$ 13,156,359	$ 12,951,357	$ 16,228,303	$ 14,941,210
Net (Expense)/Revenue					
Governmental activities	$ (5,824,918)	$ (6,083,038)	$ (8,141,763)	$ (5,350,759)	$ (6,979,640)
Business-type activities	720,513	1,209,016	1,801,178	1,911,059	1,921,028
Total primary government net expense	$ (5,104,405)	$ (4,874,022)	$ (6,340,585)	$ (3,439,700)	$ (5,058,612)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 4,192,137	$ 4,223,363	$ 4,337,979	$ 4,084,280	$ 4,121,945
Sales taxes	2,156,694	2,173,877	2,200,385	2,183,689	2,338,260
Franchise taxes	1,338,530	1,625,448	1,519,983	1,410,537	1,448,721
Guest taxes	201,113	228,341	266,842	274,983	311,473
Payments in lieu of taxes	29,380	56,317	28,045	8,824	33,651
Special assessments	-	-	102,612	101,266	-
Unrestricted investment earnings	169	43,033	72,995	76,033	392,678
Gain on disposal of asset	12,795	(186,228)	-	-	35,331
Miscellaneous revenue	-	-	-	-	74,222
Transfers	1,317,585	2,424,616	2,373,054	1,644,323	1,694,610
Total governmental activities	9,248,403	10,588,767	10,901,895	9,783,935	10,450,891
Business-type activities:					
Sales taxes	1,315,053	1,325,813	335,580	-	-
Unrestricted investment earnings	-	-	-	4,940	265,611
Insurance recoveries	-	-	-	-	-
Gain on disposal of asset	5,100	58,900	-	-	-
Miscellaneous revenue	-	-	-	5,727	-
Transfers	(1,317,585)	(2,424,616)	(2,373,054)	(1,644,323)	(1,694,610)
Total business-type activities	2,568	(1,039,903)	(2,037,474)	(1,633,656)	(1,428,999)
Total primary government	$ 9,250,971	$ 9,548,864	$ 8,864,421	$ 8,150,279	$ 9,021,892
Change in Net Position					
Governmental activities	$ 3,423,485	$ 4,505,729	$ 2,760,132	$ 4,433,176	$ 3,471,251
Business-type activities	723,081	169,113	(236,296)	277,403	492,029
Total primary government	$ 4,146,566	$ 4,674,842	$ 2,523,836	$ 4,710,579	$ 3,963,280

CITY OF ATCHISON, KANSAS

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
General Fund					
Assigned					
Purchases on order	$ 16,538	$ 36,321	$ 46,156	$ 20,625	$ 40,453
Subsequent year's budget appropriation of fund balances	308,654	408,212	591,660	640,080	420,384
Unassigned	1,960,729	2,225,958	2,342,221	2,303,072	3,085,389
Total general fund	$ 2,285,921	$ 2,670,491	$ 2,980,037	$ 2,963,777	$ 3,546,226
All Other Governmental Funds					
Restricted for:					
Substance abuse prevention and emergency shelter	$ 10,002	$ 15,771	$ 8,660	$ 16,754	$ 18,608
Debt service fund	17,725	-	771,736	456,605	516,458
Capital projects and maintenance	49,254	40,261	76,726	99,276	117,327
Public safety	2,870	5,061	16,426	10,781	10,652
Parks and recreation facilities	59,990	103,469	121,161	56,049	25,290
Acquisition and re-development of property	-	-	-	601	21,016
Assigned	2,761,296	2,782,506	1,149,970	1,304,279	915,539
Total all other governmental funds	$ 2,901,137	$ 2,947,068	$ 2,144,679	$ 1,944,345	$ 1,624,890

	2021	2022	2023	2024	2025
General Fund					
Assigned					
Purchases on order	$ 34,508	$ 30,830	$ 31,256	$ 61,309	$ 167,595
Subsequent year's budget appropriation of fund balances	306,970	244,118	1,178,393	1,433,978	1,621,997
Unassigned	3,753,473	3,727,159	3,342,155	2,623,517	1,547,643
Total general fund	$ 4,094,951	$ 4,002,107	$ 4,551,804	$ 4,118,804	$ 3,337,235
All Other Governmental Funds					
Restricted for:					
Substance abuse prevention and emergency shelter	$ 833,261	$ 2,199,172	$ 749,337	$ 848,133	$ 830,655
Debt service fund	475,928	426,751	412,555	281,630	177,035
Capital projects and maintenance	127,688	153,514	194,896	224,035	264,531
Public safety	24,691	30,762	38,188	35,207	37,927
Parks and recreation facilities	56,477	81,710	105,939	125,273	149,151
Acquisition and re-development of property	-	90,714	176,781	304,236	328,660
Assigned	1,319,608	1,855,727	2,346,284	2,809,170	2,127,917
Total all other governmental funds	$ 2,837,653	$ 4,838,350	$ 4,023,980	$ 4,627,684	$ 3,915,876

CITY OF ATCHISON, KANSAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
Revenues					
Taxes:					
Property	$ 3,331,078	$ 3,470,664	$ 3,791,093	$ 3,927,589	$ 4,022,258
Sales	1,646,986	1,738,735	1,775,424	1,892,867	2,154,534
Franchise	1,336,005	1,363,115	1,448,526	1,431,831	1,334,617
Guest	127,418	150,034	168,245	201,152	162,587
Payments in lieu of taxes	25,477	23,189	24,307	23,892	27,384
Intergovernmental	629,495	1,235,242	1,894,485	1,280,804	1,699,998
Licenses and permits	171,778	64,821	74,921	72,440	59,408
Charges for services	379,515	341,728	386,674	403,116	388,882
Fines and fees	221,242	196,392	181,289	174,826	115,631
Special assessments	-	-	-	-	-
Interest on investments	28,323	69,814	128,680	116,650	20,780
Operating grants	-	-	-	-	199,799
Other	164,322	278,769	218,140	596,262	275,057
Total Revenues	8,061,639	8,932,503	10,091,783	10,121,429	10,460,935
Expenditures					
General government	2,407,727	2,763,157	3,449,366	3,326,569	2,738,022
Public works	1,594,803	1,557,711	1,387,650	1,341,996	1,432,148
Public safety	3,100,168	3,083,534	3,153,151	3,382,123	3,458,933
Parks and recreation	295,953	330,848	615,370	667,300	590,664
Debt Service					
Principal	691,367	685,701	521,177	1,439,256	655,352
Interest	190,088	176,509	183,152	214,670	271,837
Debt issuance costs	-	36,160	-	-	-
Capital outlay	2,279,529	2,825,920	3,795,868	4,748,040	4,225,021
Total Expenditures	10,559,635	11,459,540	13,105,734	15,119,954	13,371,977
Excess of revenues over/(under) expenditures	(2,497,996)	(2,527,037)	(3,013,952)	(4,998,525)	(2,911,042)
Other Financing Sources (Uses)					
Proceeds of general obligation bonds	-	1,205,000	-	2,780,000	1,250,000
Sale of capital assets	89,469	59,157	50,594	24,980	32,390
Insurance proceeds	55,146	401,825	4,381	36,974	21,229
Bond proceeds	-	-	758,400	-	-
Proceeds from capital leases	179,712	-	-	-	178,069
Proceeds from temporary notes	-	-	-	-	-
Issuance of general obligation refunding bonds	-	-	-	-	-
Issuance of notes payable - financed purchases	-	-	-	-	-
Issuance of lease obligations	-	-	-	-	-
Issuance of SBITA liabilities	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Bond premium	-	-	-	-	-
Transfers in	2,795,864	1,695,274	1,901,739	3,157,030	1,963,506
Transfers out	(548,668)	(403,718)	(324,681)	(1,217,053)	(271,158)
Total other financing sources (uses)	2,571,523	2,957,538	2,390,433	4,781,931	3,174,036
Net change in fund balances	73,527	430,501	(623,519)	(216,594)	$ 262,994
Debt service as a percentage of noncapital expenditures	9.2%	9.5%	6.9%	15.1%	9.6%

(Continued)

CITY OF ATCHISON, KANSAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Continued)

	2021	2022	2023	2024	2025
Revenues					
Taxes:					
Property	$ 4,192,137	$ 4,223,363	$ 4,337,979	$ 4,084,280	$ 4,121,945
Sales	2,156,694	2,173,877	2,200,385	2,183,689	2,338,260
Franchise	1,338,530	1,625,448	1,519,983	1,410,537	1,448,721
Guest	201,113	228,341	266,842	274,983	311,473
Payments in lieu of taxes	29,380	56,317	28,045	8,824	33,651
Intergovernmental	3,563,337	3,068,400	2,952,529	6,388,012	4,934,694
Licenses and permits	152,284	194,215	113,783	214,145	158,779
Charges for services	404,301	386,316	366,260	305,015	473,477
Fines and fees	205,987	170,990	174,252	134,309	145,937
Special assessments	-	-	101,580	102,425	103,627
Interest on investments	169	43,033	72,995	76,033	399,880
Operating grants	26,402	74,504	8,690	-	-
Other	518,584	161,759	381,241	610,469	297,018
Total Revenues	12,788,918	12,406,563	12,524,564	15,792,721	14,767,462
Expenditures					
General government	2,945,802	3,211,935	3,409,212	3,485,195	3,408,928
Public works	1,407,376	1,474,581	1,543,410	1,562,554	1,631,529
Public safety	3,526,417	3,707,302	4,094,425	4,079,542	4,656,037
Parks and recreation	716,303	755,149	759,973	850,072	975,380
Debt Service					
Principal	840,032	2,107,008	1,137,162	1,374,199	1,584,501
Interest	271,630	212,948	241,396	274,380	245,098
Debt issuance costs	134,012	42,259	-	-	-
Capital outlay	4,573,246	4,179,141	6,267,802	7,025,994	7,442,523
Total Expenditures	14,414,818	15,690,323	17,453,380	18,651,936	19,943,996
Excess of revenues over/(under) expenditures	(1,625,900)	(3,283,760)	(4,928,816)	(2,859,215)	(5,176,534)
Other Financing Sources (Uses)					
Proceeds of general obligation bonds	-	-	-	-	-
Sale of capital assets	13,855	219,354	17,435	154,199	74,295
Insurance proceeds	-	155,760	282,438	66,472	59,426
Bond proceeds	-	-	-	-	-
Proceeds from capital leases	-	-	-	-	-
Proceeds from temporary notes	1,200,000	-	-	-	-
Issuance of general obligation refunding bonds	2,870,000	1,260,000	1,415,000	-	603,000
Issuance of notes payable - financed purchases	-	-	722,404	-	-
Issuance of lease obligations	-	9,542	1,654	-	-
Issuance of SBITA liabilities	-	-	391,448	-	8,081
Payment to refunded bond escrow agent	(2,920,000)	-	-	-	-
Bond premium	107,829	-	-	-	-
Transfers in	2,323,765	4,321,262	3,524,851	3,074,248	3,253,355
Transfers out	(172,455)	(809,911)	(294,853)	(265,000)	(315,000)
Total other financing sources (uses)	3,422,994	5,156,007	6,060,377	3,029,919	3,683,157
Net change in fund balances	$ 1,797,094	$ 1,872,247	$ 1,131,561	$ 170,704	$ (1,493,377)
Debt service as a percentage of noncapital expenditures	10.3%	18.3%	12.3%	12.7%	12.9%

CITY OF ATCHISON, KANSAS

PRINCIPAL WATER PURCHASERS

CURRENT YEAR AND NINE YEARS AGO

	2025			2016		
Water Purchaser	Gallons Consumed	Rank	Percentage of Total Gallons Consumed	Gallons Consumed	Rank	Percentage of Total Gallons Consumed
MGP Ingredients	439,826,670	1	38.37%	613,355,647	1	54.55%
Rural Water District #5	125,974,803	2	10.99%	102,883,210	2	9.15%
Benedictine College	23,258,641	3	2.03%	23,404,688	4	2.08%
Rural Water District #6	20,473,807	4	1.79%	22,237,778	5	1.98%
Bradken	11,579,736	5	1.01%	24,101,577	3	2.14%
Rural Water District #1	9,623,020	6	0.84%	9,667,900	7	0.86%
Atchison Hospital	8,705,269	7	0.76%	4,471,350	10	0.40%
USD 409	3,676,547	8	0.32%	5,200,949	9	0.46%
Mount Saint Scholastica	5,881,285	9	0.51%	7,949,370	8	0.71%
Rural Water District #3	4,519,020	10	0.39%	-		0.00%
Bunge	-		0.00%	13,774,143	6	1.22%
Total	653,518,798		57.01%	827,046,612		73.55%

Source: City of Atchison Water Department

CITY OF ATCHISON, KANSAS

WATER PRODUCED AND CONSUMED

LAST TEN FISCAL YEARS
(thousands of gallons)

Fiscal Year	Gallons of Water Produced	Gallons of Water Consumed	Gallons of Water Unbilled		Average Percent Unbilled	Base Rate
			Metered Provided For Free	Unaccounted For Water		
2016	1,264,147	1,064,994	59,463	139,690	15.75%	30.81
2017	1,326,400	1,066,826	51,757	207,817	19.57%	30.81
2018	1,356,600	1,109,122	85,386	162,092	18.24%	31.12
2019	1,332,492	1,095,922	65,174	176,571	18.14%	31.62
2020	1,313,018	1,112,175	28,229	173,753	15.38%	32.37
2021	1,353,800	1,092,540	121,938	143,280	19.59%	32.37
2022	1,616,246	1,182,439	124,769	412,837	33.26%	32.37
2023	1,375,826	1,040,069	60,477	278,849	24.66%	32.37
2024	1,177,062	890,010	54,945	235,065	24.64%	32.37
2025	1,200,524	890,010	253,835	54,170	25.66%	33.02

Source: City of Atchison Water Use reports
Base rate shown is for a 5/8" meter. See the Water Rate Schedule for other meter sizes and usage charges.

CITY OF ATCHISON, KANSAS

ANNUAL TAP SALES

LAST TEN FISCAL YEARS

Fiscal Year	Water Meter Taps Sold
2016	6
2017	1
2018	5
2019	6
2020	5
2021	8
2022	10
2023	7
2024	4
2025	14

Source: City of Atchison Water Utility

CITY OF ATCHISON, KANSAS

NUMBER OF WATER CUSTOMERS BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Water Customers				
	Residential	Commercial	Industrial	Rural Water Districts	Total
2016	3,647	440	31	7	4,125
2017	3,636	448	31	7	4,122
2018	3,656	449	33	7	4,145
2019	3,647	455	30	7	4,139
2020	3,675	449	30	7	4,161
2021	3,680	452	32	7	4,171
2022	3,664	430	30	7	4,131
2023	3,664	430	30	7	4,131
2024	4,170	430	30	7	4,637
2025	3,673	433	53	7	4,166

Source: City of Atchison Water Use reports

CITY OF ATCHISON, KANSAS

WATER RATES

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020
Minimum Monthly Rates- All account types					
5/8 inch meter	$ 28.71	$ 30.81	$ 31.12	$ 31.62	$ 32.37
3/4 inch meter	46.03	48.13	48.61	49.11	49.86
1 inch meter	76.81	78.91	79.70	80.20	80.95
1.5 inch meter	143.53	150.71	152.22	152.72	153.47
2 inch meter	194.18	203.89	205.93	206.43	207.18
3 inch meter	379.91	398.91	402.90	403.40	404.15
4 inch meter	633.20	664.85	671.50	672.00	672.75
6 inch meter	835.82	877.61	886.39	886.89	887.64
8 inch meter	970.91	1,019.44	1,029.64	1,030.14	1,030.89
10 inch meter	1,119.17	1,119.17	1,119.17	1,119.67	1,120.42
Additional Monthly Charges- Residential					
0-1,997 gallons consumed (per 1,000 gallons)	$ -	$ -	$ -	$ -	$ -
1,998-4,989	4.995	4.995	5.045	5.045	5.045
4,990-9,971	4.842	4.842	4.890	4.890	4.890
9,972-49,860	4.605	4.605	4.651	4.651	4.651
49,861-99,731	4.300	4.300	4.343	4.343	4.343
99,732-199,469	3.962	3.962	4.001	4.001	4.001
Additional Monthly Charges Rates- Industrial					
0-49,869 gallons consumed (per 1,000 gallons)	$ 4.250	$ 4.462	$ 4.507	$ 4.642	$ 4.874
49,870-99,731	4.114	4.320	4.363	4.494	4.718
99,732-149,600	3.640	3.822	3.860	3.976	4.175
149,601-199,469	3.335	3.502	3.537	3.643	3.825
199,470-997,331	2.743	2.880	2.908	2.996	3.145
997,332-4,986,669	2.235	2.347	2.370	2.441	2.563
4,986,670-9,973,331	1.016	1.067	1.074	1.107	1.162
9,973,331 and above	0.864	0.907	0.916	0.943	0.991

(Continued)

CITY OF ATCHISON, KANSAS

WATER RATES

LAST TEN FISCAL YEARS
(Continued)

	2021	2022	2023	2024	2025
Minimum Monthly Rates- All account types					
5/8 inch meter	$ 32.37	$ 32.67	$ 32.67	$ 32.67	$ 33.02
3/4 inch meter	49.86	49.86	49.86	49.86	50.86
1 inch meter	80.95	80.95	80.95	80.95	82.57
1.5 inch meter	153.47	153.47	153.47	153.47	156.54
2 inch meter	207.18	207.18	207.18	207.18	211.32
3 inch meter	404.15	404.15	404.15	404.15	412.23
4 inch meter	672.75	672.75	672.75	672.75	686.21
6 inch meter	887.64	887.64	887.64	887.64	905.39
8 inch meter	1,030.89	1,030.89	1,030.89	1,030.89	1,051.51
	1,120.42	1,120.42	1,120.42	1,120.42	1,142.83
Additional Monthly Charges- Residential					
0-1,997 gallons consumed (per 1,000 gallons)	$ -	$ -	$ -	$ -	$ 2.018
1,998-4,989	5.045	5.045	5.045	5.045	5.095
4,990-9,971	4.890	4.890	4.890	4.890	4.939
9,972-49,860	4.651	4.651	4.651	4.651	4.697
49,861-99,731	4.343	4.343	4.343	4.343	4.387
99,732-199,469	4.001	4.001	4.001	4.001	4.041
Additional Monthly Charges Rates- Industrial					
0-49,869 gallons consumed (per 1,000 gallons)	$ 5.118	$ 5.373	$ 5.642	$ 5.924	$ 5.983
49,870-99,731	4.954	5.202	5.462	5.735	5.793
99,732-149,600	4.383	4.603	4.833	5.074	5.226
149,601-199,469	4.016	4.217	4.428	4.649	4.789
199,470-997,331	3.303	3.468	3.641	3.823	3.938
997,332-4,986,669	2.691	2.826	2.967	3.266	3.363
4,986,670-9,973,331	1.220	1.281	1.345	1.550	1.782
9,973,331 and above	1.040	1.092	1.147	1.322	1.520

Source: City of Atchison Water Utility

Rates presented are for customers within the city limits. Customers outside the city limits are charged higher rates.

CITY OF ATCHISON, KANSAS

PRINCIPAL PROPERTY TAX PAYERS

CURRENT YEAR AND NINE YEARS AGO

	2025			2016		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Evergy	$ 7,140,839	1	7.20%	$ 3,788,354	3	5.85%
MGP Ingredients	6,846,522	2	6.91%	4,206,324	1	6.50%
Bartlett Grain	4,557,675	3	4.60%	3,919,941	2	6.06%
Bradken	3,295,152	4	3.32%	3,226,193	4	4.99%
Walmart	1,850,203	5	1.87%	2,205,333	5	3.41%
Kansas Gas Service	1,548,791	6	1.56%	962,765	10	1.49%
Almacenadora Afirme	1,465,984	7	1.48%			
Union Pacific Railroad	1,454,854	8	1.47%	1,270,579	7	1.96%
Blish-Mize	1,364,213	9	1.38%	1,243,201	8	1.92%
Golden Star	1,108,001	10	1.12%	1,029,351	9	1.59%
Northwest Pipe				1,563,559	6	2.42%
Total	$ 30,632,234		30.90%	$ 23,415,600		36.19%

Source: Atchison County Clerk

CITY OF ATCHISON, KANSAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Real Estate	Personal Property	Utilities	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed to Total Estimated Actual Value
2016	$ 62,477,029	$ 3,676,815	$ 6,558,267	$ 8,005,290	$ 64,706,821	$ 54.111	$ 486,341,158	13.30%
2017	62,446,658	3,552,787	6,552,359	6,870,472	65,681,332	53.949	494,307,053	13.29%
2018	63,765,522	3,469,399	6,915,667	6,024,109	68,126,479	53.959	499,467,910	13.64%
2019	63,352,053	2,959,092	8,880,237	6,610,872	68,580,510	55.459	507,144,057	13.52%
2020	64,551,036	2,958,473	8,962,929	4,840,704	71,631,734	58.050	516,000,779	13.88%
2021	65,415,683	3,189,951	9,337,633	4,514,879	73,428,388	58.037	528,908,522	13.88%
2022	65,955,559	3,095,415	9,413,460	4,210,040	74,254,394	57.928	586,518,844	12.79%
2023	74,936,800	2,958,251	10,297,041	3,810,517	84,381,575	54.374	644,025,303	13.25%
2024	82,346,471	2,885,192	9,808,517	4,913,329	90,126,851	48.547	690,482,524	13.05%
2025	90,846,961	2,893,553	10,557,161	5,172,111	99,125,564	47.097	737,211,788	13.45%

Source: Atchison County Clerk

Note: Does not include penalty amounts

CITY OF ATCHISON, KANSAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER $ 1,000 OF ASSESSED VALUE)

LAST TEN FISCAL YEARS

	City Direct Rates								
Fiscal Year	Basic Rate	Debt Service	Library	Total Direct Rate	White Clay #26 Watershed	USD 409	Atchison County	State of Kansas	Total
2016	$ 36.224	$ 10.887	$ 7.000	$ 54.111	$ 2.888	$ 60.373	$ 55.060	$ 1.500	$173.932
2017	36.148	10.801	7.000	53.949	2.884	60.557	53.666	1.500	172.556
2018	36.151	10.805	7.003	53.959	2.888	58.170	54.444	1.500	170.961
2019	38.459	10.000	7.000	55.459	2.860	57.923	53.140	1.500	170.882
2020	41.052	9.998	7.000	58.050	N/A	57.425	53.128	1.500	170.103
2021	41.041	9.996	7.000	58.037	N/A	57.723	53.119	1.500	170.379
2022	41.448	9.480	7.000	57.928	N/A	56.813	54.770	1.500	171.011
2023	38.421	8.972	6.981	54.374	N/A	56.341	49.597	1.500	161.812
2024	34.101	7.554	6.892	48.547	N/A	55.017	51.565	1.500	156.629
2025	33.238	6.859	7.000	47.097	N/A	57.684	54.861	1.500	161.142

Source: Atchison County Clerk
White Clay Watershed District elminated effective 1/1/20. Operations of the district added to the City's Parks department.

CITY OF ATCHISON, KANSAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as a Percent of Current Tax Levy	Outstanding Deliquent Taxes	Outstanding Delinquent Taxes as a Percent of Current Levy
2016	$ 3,747,280	$ 3,606,998	96.26%	$ 125,883	$ 3,732,881	99.62%	14,399	0.38%
2017	3,782,116	3,636,358	96.15%	74,807	3,711,165	98.12%	70,951	1.88%
2018	3,905,837	3,753,586	96.10%	84,043	3,837,629	98.25%	68,208	1.75%
2019	4,042,669	3,938,189	97.42%	97,507	4,035,696	99.83%	6,973	0.17%
2020	4,439,094	4,039,988	91.01%	85,028	4,125,016	92.92%	314,078	7.08%
2021	4,523,257	4,180,822	92.43%	21,337	4,202,159	92.90%	321,098	7.10%
2022	4,553,800	4,212,536	92.51%	28,611	4,241,147	93.13%	312,653	6.87%
2023	4,808,562	4,487,528	93.32%	34,914	4,522,442	94.05%	286,120	5.95%
2024	4,614,642	4,258,633	92.29%	39,068	4,297,701	93.13%	316,941	6.87%
2025	4,918,354	4,564,776	92.81%	-	4,564,776	92.81%	353,578	7.19%

Source: Atchison County Treasurer
NA= not available

CITY OF ATCHISON, KANSAS

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	Governmental Activities					Business-type Activities					
Fiscal Year	General Obligation Bonds	Sales Tax Revenue Bonds	Lease Obligations Payable	Notes Payable - Financed Purchases	SBITA Liability	General Obligation Bonds	Notes Payable - Financed Purchases	Revolving Loans	Total Primary Government	Percentage of Personal Income	Per Capita
2016	$ 5,794,010	$ -	$ -	$ 179,712	$ -	$ 1,835,000	$ 383,221	$ 17,104,754	$ 25,296,697	6.63%	$ 2,362
2017	6,327,651	-	-	163,997	-	875,736	258,784	13,654,477	21,280,644	5.62%	2,001
2018	5,821,292	758,400	-	147,834	-	-	265,652	12,904,356	19,897,534	5.03%	1,884
2019	7,234,933	700,800	-	131,178	-	1,780,000	109,824	10,868,669	20,825,404	4.93%	1,988
2020	7,888,574	657,600	-	292,095	-	8,700,000	84,038	4,851,067	22,473,374	4.99%	2,145
2021	7,190,064	604,800	-	239,863	-	12,585,000	57,227	-	20,676,954	4.38%	1,958
2022	7,671,769	529,600	-	187,430	-	11,872,574	29,322	-	20,290,695	4.37%	1,891
2023	8,233,474	414,400	11,865	855,820	909,849	10,975,557	540,898	-	21,941,863	N/A	2,058
2024	7,375,179	270,400	6,507	651,115	739,713	10,053,361	915,006	-	20,011,281	N/A	1,875
2025	6,575,284	-	4,339	816,237	269,472	9,137,763	412,994	-	17,216,089	N/A	1,596

NA= not available

CITY OF ATCHISON, KANSAS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020
General bonded debt outstanding					
General obligation bonds	$ 7,660,482	$ 7,241,774	$ 5,821,292	$ 7,234,933	$ 7,888,574
Total	7,660,482	7,241,774	5,821,292	7,234,933	7,888,574
Estimated actual property value	483,243,848	486,341,158	499,467,910	507,144,057	516,000,779
Percentage of estimated actual property value	1.59%	1.49%	1.17%	1.43%	1.53%
Population	10,712	10,636	10,650	10,476	10,476
Per capita	715	681	547	691	753
Less: Amounts set aside to repay general debt	(131,351)	(92,581)	(238,616)	(367,169)	(419,025)
Total net debt applicable to debt limit	7,529,131	7,149,193	5,582,676	6,867,764	7,469,549
Legal debt limit	19,412,046	19,704,400	20,437,944	20,574,153	21,489,520
Legal debt margin	$ 11,882,915	$ 12,555,207	$ 14,855,268	$ 13,706,389	$ 14,019,971
Legal debt margin as a percentage of debt limit	61.21%	63.72%	72.68%	66.62%	65.24%

	2021	2022	2023	2024	2025
General bonded debt outstanding					
General obligation bonds	$ 7,190,064	$ 7,671,769	$ 8,233,474	$ 7,375,179	$ 6,575,284
Total	7,190,064	7,671,769	8,233,474	7,375,179	6,575,284
Estimated actual property value	528,908,522	580,491,644	637,023,252	690,482,524	737,211,788
Percentage of estimated actual property value	1.36%	1.31%	1.28%	1.07%	0.89%
Population	10,561	10,730	10,661	10,670	10,789
Per capita	681	715	772	692	609
Less: Amounts set aside to repay general debt	(369,456)	(349,821)	(330,723)	(213,119)	(120,303)
Total net debt applicable to debt limit	6,820,608	7,321,948	7,902,751	7,162,060	6,454,981
Legal debt limit	22,028,516	22,276,318	25,314,473	27,038,055	29,737,669
Legal debt margin	$ 15,207,908	$ 14,954,370	$ 17,411,722	$ 19,875,995	$ 23,282,688
Legal debt margin as a percentage of debt limit	69.04%	67.13%	68.78%	73.51%	78.29%

Debt limit is set at 30% of assessed valuation.

CITY OF ATCHISON, KANSAS

GOVERNMENTAL ACTIVITIES DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2025

Taxing Body	Debt Amount	Debt As of	City's Share Percent	City's Share Amount	Per Capita
Estimated overlapping debt:					
Atchison County	$ 3,401,228	12/31/25	67%	$ 2,278,823	$ 214
USD No. 409	34,680,000	12/31/25	80%	27,764,808	2,602
	38,081,228			30,043,631	2,816
Direct debt:					
City of Atchison	7,665,332	12/31/25	100%	7,665,332	718
Direct and estimated overlapping debt	$ 45,746,560			$ 37,708,963	$ 3,534

Source: Atchison County Clerk and USD 409

Information represents the share of the respective debt which are obligations of the citizens of Atchison. Percentages are based upon population of the city or school district compared to the total county population.

CITY OF ATCHISON, KANSAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN YEARS

Fiscal Year	City Population	County Total Personal Income (000's omitted)	County Per Capita Income	School Enrollment	Unemployment Rate (Atchison County)
2016	10,712	$ 583,765	$ 35,639	2,226	6.20%
2017	10,636	581,736	35,619	2,241	5.20%
2018	10,560	606,207	37,436	2,258	4.50%
2019	10,476	648,297	40,335	2,164	4.50%
2020	10,476	688,233	42,974	2,175	4.50%
2021	10,561	726,047	44,710	2,034	2.30%
2022	10,730	703,131	42,910	2,231	6.20%
2023	10,661	732,563	45,739	2,261	2.40%
2024	10,670	N/A	N/A	2,217	3.50%
2025	10,789	N/A	N/A	2,222	3.30%

Population figures presented are for the City only. The Personal Income and Per Capita Income figures are for the entire county.

r: revised
NA: Not Available
Sources:
Population: U.S. Census Bureau
Total Personal Income: Bureau of Economic Analysis
Per Capita Income: Bureau of Economic Analysis
School Enrollment: Kansas State Department of Education
Unemployment Rate: Bureau of Labor Statistics

CITY OF ATCHISON, KANSAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Benedictine College	492	1	6.05%	381	1	5.33%
Amberwell Health	315	2	3.88%	314	3	4.39%
Bradken (formerly Atchison Casting)	300	3	3.69%	256	4	3.58%
USD 409	300	4	3.69%	333	2	4.66%
MGP Ingredients	208	5	2.56%	209	6	2.92%
Wal Mart	175	6	2.15%	193	7	2.70%
Atchison County	162	7	1.99%	146	8	2.04%
USD 377	135	8	1.66%			
Blish-Mize	115	9	1.42%	120	9	1.68%
City of Atchison	105	10	1.29%	107	10	1.50%
Fargo Assembly				245	5	3.43%
Total	2,307		28.39%	2,304		32.23%

Source: KDOL.Laborstats@ks.gov

CITY OF ATCHISON, KANSAS

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
City Manager	3.00	3.00	3.00	3.33	3.33	3.84	3.00	3.00	3.00	3.00
Finance	5.00	4.00	5.00	4.50	5.50	5.00	4.00	3.50	5.50	5.50
Municipal Court	1.00	1.00	1.00	1.00	-	-	1.00	1.00	1.00	1.00
Community Development	3.50	3.50	3.50	3.50	2.50	3.50	3.00	3.00	3.50	2.50
Conference Center										
Engineering	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Atchison Event Center (b)	2.50	2.00	2.00	1.50	-	-	-	-	-	-
Public Safety										
Police	23.50	23.50	23.50	24.00	25.00	25.00	25.50	24.50	24.00	24.00
Animal Control	1.50	1.00	1.00	1.00	1.25	1.25	1.25	1.25	2.00	2.00
Fire	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	20.00
Public Works Admin (a)	20.50	21.00	1.50	1.58	2.08	1.92	3.92	3.92	1.91	1.91
Public Works										
Street	-	-	7.00	6.67	6.67	7.67	8.00	8.00	7.66	8.50
Fleet Maintenance	-	-	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Construction Engineering	-	-	1.00	1.00	1.00	0.33	-	-	-	-
Parks and Recreation										
Parks	-	-	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Water/Wastewater	21.67	20.67	20.50	22.50	23.00	21.82	21.49	21.49	20.16	19.49
Refuse	4.83	4.83	4.83	4.92	4.92	4.92	4.59	4.59	5.27	5.10
Total	108.00	105.50	104.83	107.50	107.25	107.25	107.75	106.25	106.00	105.00

Source: City of Atchison Human Resources department

(a) All public works employees (Parks, Streets, Fleet Maint., Construction Engineering) shown in Public Works Admin 2011-2017

(b) The operation of the Atchison Event Center was taken over by the City on 12/31/14.

CITY OF ATCHISON, KANSAS

OPERATING INDICATORS BY PROGRAM/FUNCTION

LAST TEN FISCAL YEARS

Program/Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Dispatched calls	11,931	13,881	13,268	13,376	11,058	12,184	12,020	11,530	10,713	11,389
Criminal cases	1,620	1,709	1,382	1,271	1,201	1,110	1,314	1,219	909	931
Criminial cases cleared	1,082	1,227	1,074	1,079	1,075	1,017	1,064	999	780	839
Arrests	902	1,033	916	781	536	607	571	536	421	503
Serious crimes	435	545	436	346	283	302	333	311	219	220
Fire										
Emergency Responses	359	400	401	355	296	421	476	514	673	577
First Responder/Medical	761	865	896	933	999	973	1,117	1,084	1,186	1,175
Life Safety Inspections	667	667	667	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Refuse collected (tons/year)										
Trash	2,881	2,958	3,536	3,176	3,495	3,236	3,268	741	N/A	N/A
Reycling	190	245	296	340	399	274	325	65	N/A	N/A
Glass	-	16	19	21	23	21	20	4	N/A	N/A
Brush	-	-	-	-	-	-	-	-	-	-
Metal	-	-	-	-	-	-	-	-	-	-
Water										
New connections	6	1	5	6	5	8	6	7	8	22
Water main breaks	27	22	26	32	12	18	25	10	22	21
Replaced bad service lines	32	17	19	14	10	9	17	8	4	12
Average daily production (thousands of gallons)	3,328	3,177	3,717	3,651	3,650	3,790	4,445	3,724	3,750	3,300
Peak daily production (thousands of gallons)	6,037	5,704	5,750	6,088	5,160	5,910	5,602	4,330	4,800	5,800
Wastewater										
Average daily sewage treatment (thousands of gallons)	1,198	1,207	1,499	902	1,310	1,510	1,030	990	1,070	940

Source: various City of Atchison departments

2015 The City of Atchison began offering curbside recycling to all residents

2023 The County quit charging the City for drop offs, no data on collections is kept anymore

CITY OF ATCHISON, KANSAS

CAPITAL ASSET STATISTICS BY PROGRAM/FUNCTION

LAST TEN FISCAL YEARS

Program/Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	10	10	10	11	11	11	11	11	11	11
Fire Stations	1	1	1	1	1	1	1	1	1	1
Refuse Collection										
Collection trucks	2	2	2	3	3	3	3	5	3	3
Other Public Works										
Streests (miles)	77	77	77	77	77	77	77	77	77	77
Highways (miles)	8	8	8	8	8	8	8	8	8	8
Traffic Signals	6	6	6	6	6	6	6	6	6	6
Parks and Recreation										
Acreage	332	332	332	332	332	332	332	332	332	332
Playgrounds	7	7	7	7	7	7	7	7	7	7
Baseball/Softball diamonds	5	5	5	5	5	5	5	5	5	1
Water										
Water mains (miles)	95	95	100	100	100	100	100	100	100	101
Fire hydrants	576	579	582	582	583	583	583	583	583	592
Storage capacity (000's gallons)	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350	4,350
Wastewater										
Sanitary Sewers (miles)	20	20	20	20	20	20	20	20	20	20
Storm Sewer (combined, miles)	80	80	80	80	80	80	80	80	80	80
Treatment capacity (000's gallons)	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Treatment capacity (000's gallons)	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400

Source: City of Atchison

CITY OF ATCHISON, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant Number	Expenditures
U.S. Department of Housing and Urban Development:			
Passed through Kansas Department of Commerce:			
CDBG Entitlement Grants Cluster:			
Community Development Block Grant	14.218	21-CR-004	$ 4,250
Community Development Block Grant	14.218	23-CR-001	35,702
Community Development Block Grant	14.218	23-PF-009	386,340
Total CDBG Entitlement Grants Cluster			426,292
Total U.S. Department of Housing and Urban Development			426,292
U.S. Department of Transportation:			
Passed through Federal Aviation Administration:			
Airport Improvement Program	20.106	3-20-0004-017-2022	158,462
Airport Improvement Program	20.106	3-20-0004-019-2023	703,685
Airport Improvement Program	20.106	3-20-0004-021-2023	156,265
Airport Improvement Program	20.106	3-20-0004-020-2024	1,363,500
Airport Improvement Program	20.106	3-20-0004-023-2025	53,046
			2,434,958
Total U.S. Department of Transportation			2,434,958
U.S. Department of the Treasury:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	NA	408,936
Total U.S. Department of the Treasury			408,936
U.S. Department of Homeland Security:			
Passed through Kansas Emergency Management:			
Hazard Mitigation Grant Program	97.039	FEMA-4504-DR-KS	65,250
Total expenditures of federal awards			$ 3,335,436

See accompanying notes to schedule of expenditures of federal awards.

CITY OF ATCHISON, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Atchison, Kansas (the City) under programs of the federal government for the year ended December 31, 2025. The City's reporting entity is defined in Note 1 to the City's basic financial statements. All federal awards passed through other government agencies are included on the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the net position, changes in net position or cash flows of the City.

2 - Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting which is described in Note 1 to the City's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the de minimis indirect cost rate as allowed under the Uniform Guidance.

CITY OF ATCHISON, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

Section I – Summary of Auditor's Results

Financial Statements	
Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statements	None reported
Federal Awards	
Type of auditor's report issued on compliance for major programs	Unmodified
Internal control over major programs:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	None
Identification of major programs:	
Assistance Listing Number	Name of Federal Program
20.106	Airport Improvement Program
Dollar threshold used to distinguish between Type A and Type B programs	$ 1,000,000
Auditee qualified as a low-risk auditee:	Yes
Section II – Financial Statement Findings	None
Section III – Federal Award Findings and Questioned Costs	None

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor and City Commission
City of Atchison, Kansas:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Atchison, Kansas (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 7, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not

express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Swindoll, Janzen, Hawk & Loyd, LLC

July 7, 2026
Topeka, Kansas

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor and City Commission
City of Atchison, Kansas:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Atchison, Kansas's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material

noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole. In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Swindoll, Janzen, Hawk & Loyd, LLC

July 7, 2026
Topeka, Kansas